

# 2024

## THIRD QUARTER

Quarterly report

Presentation

Press releases



Norske Skog

## INTRODUCTION

Norske Skog is a producer of packaging paper and publication paper across five mills in Europe and Australasia. Packaging paper includes testliner and fluting and publication paper includes newsprint and magazine paper. The annual production capacity of packaging paper will be 0.8 million tonnes following start of production at Norske Skog Golbey PM1 during the first quarter of 2025, and the annual publication paper production capacity is 1.6 million tonnes. Packaging paper and publication paper are sold through sales offices and agents.

In addition to the traditional publication paper business and the new packaging paper business, Norske Skog aims to further diversify its operations and continue its transformation into a diversified wood fibre processing company.

Norske Skog has approximately 2 100 employees and the parent company, Norske Skog ASA, a public limited liability company, is incorporated in Norway and has its head office at Skøyen in Oslo. The company is listed on Oslo Stock Exchange with the ticker NSKOG.

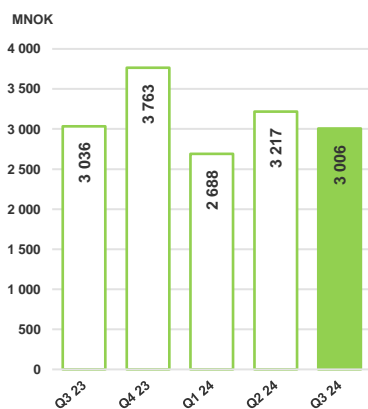
## KEY FIGURES

NOK MILLION	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
<b>INCOME STATEMENT</b>					
Total operating income	3 006	3 217	3 036	8 911	9 760
EBITDA*	91	471	327	637	1 382
Operating earnings	-13	364	36	175	267
Profit/loss before income taxes	-156	311	112	-227	4
Profit/loss for the period	-153	245	134	-236	-1
Earnings per share (NOK)**	-1.80	2.89	1.58	-2.78	-0.02
<b>CASH FLOW</b>					
Net cash flow from operating activities	-272	299	173	-43	956
Net cash flow from operating activities per share (NOK)**	-3.21	3.52	2.04	-0.51	11.27
Net cash flow from investing activities	-289	-104	-949	-771	-2 012
<b>OPERATING MARGIN AND PROFITABILITY (%)</b>					
EBITDA margin*	3.0	14.6	10.8	7.2	14.2
Return on capital employed (annualised)*	-8.9	1.2	-31.5	-6.2	-14.9

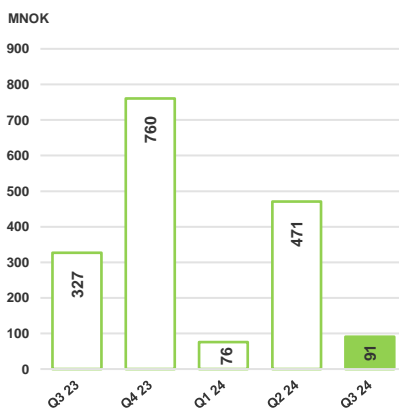
\* As defined in Alternative Performance Measures

\*\* Adjusted for purchase of treasury shares second half of 2023 pursuant to which the number of shares was decreased from 94 264 705 to 84 838 235

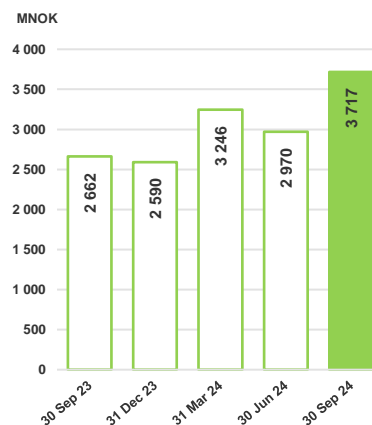
### TOTAL OPERATING INCOME



### EBITDA



### NET INTEREST-BEARING DEBT



NOK MILLION	30 SEP 2024	30 JUN 2024	31 DEC 2023	30 SEP 2023
<b>BALANCE SHEET</b>				
Non-current assets	10 132	9 660	9 068	8 790
Current assets	4 692	5 540	5 687	5 109
Total assets	14 824	15 201	14 755	13 898
Equity	6 132	6 138	6 161	5 880
Net interest-bearing debt	3 717	2 970	2 590	2 662

# REPORT OF THE BOARD OF DIRECTORS FOR THE THIRD QUARTER OF 2024

- Maintaining positive EBITDA and good cash position in challenging markets
  - Quarterly EBITDA of NOK 91 million with continued growth in EBITDA contributed from the Packaging Paper segment
  - Signing a NOK 500 million green term loan agreement at Norske Skog Skogn to enhance cash position
- Capacity closures required in publication paper and containerboard markets
  - Price increases for containerboard and newsprint implemented in the quarter to mitigate continued cost increases
  - Containerboard and publication paper markets still experiencing excess capacity
- Excellent customer feedback as containerboard deliveries continue to grow
  - Norske Skog Bruck PM3 delivering 42 thousand tonnes of containerboard in the quarter and achieving utilisation to design capacity of 85%
  - Expected start-up of Norske Skog Golbey PM1 revised to the first quarter of 2025 and net capex revised to EUR 320 million
- Design of BCTMP line at Norske Skog Saugbrugs progressing
  - Engaged technical and environmental consultants, and working with multiple machinery and equipment suppliers
  - Meetings with Norwegian Environment Agency to provide clarity on environmental permits

## PROFIT/LOSS FOR THE PERIOD

NOK MILLION	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Operating revenue	2 868	2 725	2 643	8 143	8 932
Other operating income	139	492	393	768	829
<b>Total operating income</b>	<b>3 006</b>	<b>3 217</b>	<b>3 036</b>	<b>8 911</b>	<b>9 760</b>
Distribution cost	-326	-309	-270	-932	-804
Cost of materials	-1 858	-1 692	-1 611	-5 097	-5 194
Fixed cost	-732	-745	-828	-2 246	-2 380
<b>EBITDA</b>	<b>91</b>	<b>471</b>	<b>327</b>	<b>637</b>	<b>1 382</b>

Higher operating revenue in the quarter compared to the previous quarter mainly driven by higher delivery volumes and higher sales price, partly offset by lower income from sale of excess energy. Other operating income decreased as a result of insurance recognition at Norske Skog Saugbrugs of NOK 338 million in the previous quarter. Publication paper prices were slightly higher in the quarter due to price increases for newsprint and mix effects, and packaging paper prices increased in line with the market to mitigate effect of higher recovered paper prices. Production of packaging paper increased from Norske Skog Bruck PM3 as ramp-up continued as planned.

Cost of materials per tonne increased in the quarter. Recovered paper prices and pulpwood prices continued to increase in the quarter, and energy prices remained at similar levels to the previous quarter.

Fixed costs (including employee benefit expenses) were slightly lower than the previous quarter, both on absolute and per tonne basis.

EBITDA decreased quarter-over-quarter, mainly driven by insurance recognition at Norske Skog Saugbrugs in the previous quarter.

NORSKE SKOG QUARTERLY REPORT – THIRD QUARTER 2024 (UNAUDITED)

NOK MILLION	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Restructuring expenses	-2	0	-18	-14	-29
Depreciation	-132	-128	-141	-386	-384
Impairments	0	-22	0	-22	0
Derivatives and other fair value adjustments	30	44	-131	-41	-701
<b>Operating earnings</b>	<b>-13</b>	<b>364</b>	<b>36</b>	<b>175</b>	<b>267</b>

Depreciation of NOK 132 million is a slight increase compared with the previous quarter.

The fair value of energy contracts in Norway increased compared to the previous quarter due to differences between future market prices for electricity and contract electricity prices.

NOK MILLION	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Share of profit in associated companies and joint ventures	-36	-25	-3	-65	-10
Financial items	-108	-29	79	-336	-253
Income taxes	3	-66	22	-9	-6
<b>Profit/loss for the period</b>	<b>-153</b>	<b>245</b>	<b>134</b>	<b>-236</b>	<b>-1</b>

Share of profit in associated companies and joint ventures was negative by NOK 36 million, which mainly reflects Circa Group's decision to file petition for bankruptcy on 7 October 2024.

Financial items were negative by NOK 108 million in the quarter, mainly due to currency changes on euro denominated debt and foreign exchange contracts. Net interest expenses were similar to the previous quarter.

## DIVERSIFICATION BEYOND PUBLICATION PAPER

Norske Skog continues to ramp-up production of packaging paper market following the successful start-up of Norske Skog Bruck PM3. Delivered volumes of recycled containerboard increased during the quarter. Norske Skog Golbey in France is converting PM1 for production of packaging paper and will start production in the first quarter of 2025, following a revised timeline announced during the quarter. When full capacity is reached at both Norske Skog Bruck PM3 and Norske Skog Golbey PM1, Norske Skog will have a production capacity of 0.8 million tonnes of recycled containerboard.

During the quarter, Norske Skog Saugbrugs continued to progress with the design phase for a bleached chemi-thermomechanical pulp (BCTMP) line. The final investment decision is expected during the first half of 2025.

Commercial development of CEBINA and CEBICO continues together with partners.

The group continuously works to develop new fibre projects, both on a stand-alone basis and in partnerships.

## SEGMENT INFORMATION

### PUBLICATION PAPER EUROPE

NOK MILLION	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Total operating income	2 224	2 514	2 405	6 796	8 112
<b>EBITDA</b>	<b>99</b>	<b>464</b>	<b>335</b>	<b>729</b>	<b>1 527</b>
EBITDA margin (%)	4.5	18.4	13.9	10.7	18.8
Return on capital employed (%) (annualised)	-11.0	2.2	-36.0	-5.3	-7.8
Production (1 000 tonnes)	293	279	260	843	769
Deliveries (1 000 tonnes)	283	279	258	824	770
Production / capacity (%)	91	87	87	87	79

The segment consists of Norske Skog's European operations in the publication paper market with industrial sites in Norway, France, and Austria. Annual production capacity is currently approximately 1.3 million tonnes.

Operating income decreased from the previous quarter mainly as the previous quarter recognised NOK 338 million in insurance at Norske Skog Saugbrugs. Higher delivery volumes and slightly higher prices contributed positively in the quarter. Lower sale of excess energy contributed negatively compared to the previous quarter.

Distribution costs increased from the previous quarter on an absolute basis and on a per tonne basis due to higher freight rates. Cost of materials increased on an absolute basis and on a per tonne basis, mainly due to recovered paper and pulpwood prices.

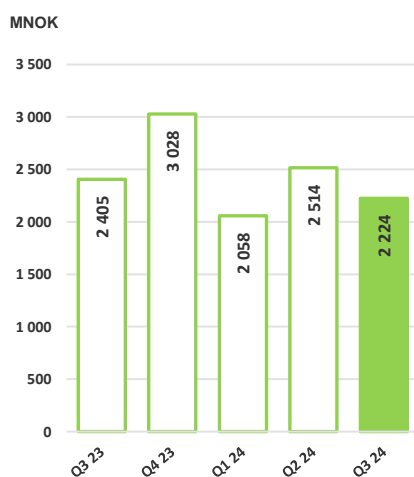
Employee benefit expenses decreased on an absolute level and on a per tonne basis. Other operating expenses decreased on an absolute level and on a per tonne basis.

EBITDA decreased compared to the previous quarter mainly due to recognition of insurance at Norske Skog Saugbrugs in the previous quarter.

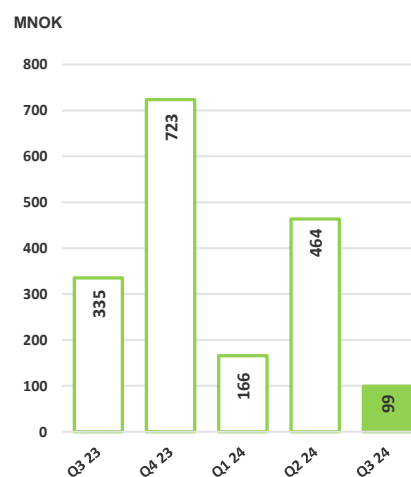
Demand for standard newsprint in Europe decreased by 1% as of August 2024 compared to the same period last year. For magazine paper the demand decreased by 6%, with supercalendered paper decreasing 10% and lightweight coated paper decreasing 2% for the same period (Source: Euro-Graph).

Capacity utilisation was 91% in the period, an increase compared with the previous quarter.

EUROPE  
TOTAL OPERATING INCOME



EUROPE  
EBITDA



## PUBLICATION PAPER AUSTRALASIA

NOK MILLION	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Total operating income	496	472	476	1 405	1 399
<b>EBITDA</b>	<b>3</b>	<b>6</b>	<b>27</b>	<b>-65</b>	<b>-1</b>
EBITDA margin (%)	0.6	1.3	5.7	-4.7	-0.1
Return on capital employed (%) (annualised)	-9.7	-1.1	10.3	-24.8	-8.2
Production (1 000 tonnes)	61	60	64	179	180
Deliveries (1 000 tonnes)	61	60	60	180	179
Production / capacity (%)	91	90	97	90	91

The segment consists of Norske Skog Boyer's publication paper operations in Australasia, the only domestic publication paper producer in the region. The annual production capacity is approximately 0.3 million tonnes.

Operating income increased compared to the previous quarter due to higher deliveries and sales prices as a result of more domestic volumes.

Distribution costs were higher compared to the previous quarter on an absolute level and on a per tonne basis. Cost of materials were higher on an absolute basis and on a per tonne basis, mainly due to higher coal prices. Employee benefit expenses were slightly higher on an

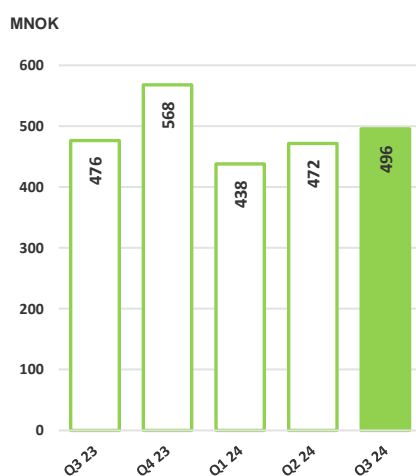
absolute basis and on a per tonne basis. Other operating expenses were lower on an absolute basis and a per tonne basis.

EBITDA was lower compared to the previous quarter, mainly due to greater increase in cost of materials compared to publication paper prices.

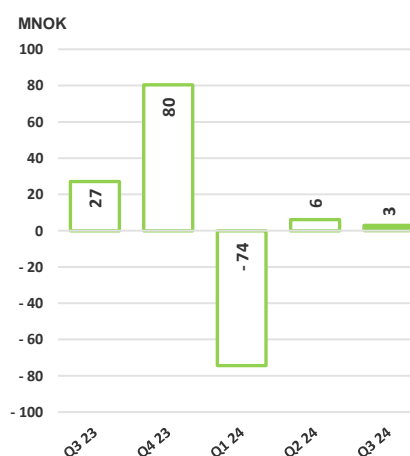
Demand for newsprint and coated mechanical decreased by 26% and 2%, respectively through August 2024 compared to same period last year (Source: PPPC).

Capacity utilisation was 91% in the period, an increase compared to the previous quarter.

**AUSTRALASIA**  
**TOTAL OPERATING INCOME**



**AUSTRALASIA**  
**EBITDA**



## PACKAGING PAPER

NOK MILLION	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Total operating income	249	207	128	633	227
<b>EBITDA</b>	<b>8</b>	<b>2</b>	<b>-31</b>	<b>3</b>	<b>-109</b>
EBITDA margin (%)	3.2	0.8	-24.2	0.5	-48.3
Return on capital employed (%) (annualised)	1.1	-0.6	-18.7	-0.5	-61.2
Production (1 000 tonnes)	44	40	24	124	44
Deliveries (1 000 tonnes)	42	41	26	121	36
Production / capacity (%)	96	87	67	90	69

The segment consists of Norske Skog's packaging paper operations in Europe. Norske Skog Bruck PM3 started producing in the first quarter

of 2023 and the production is following the ramp-up curve with higher deliveries compared to previous quarter. Delivered volumes is

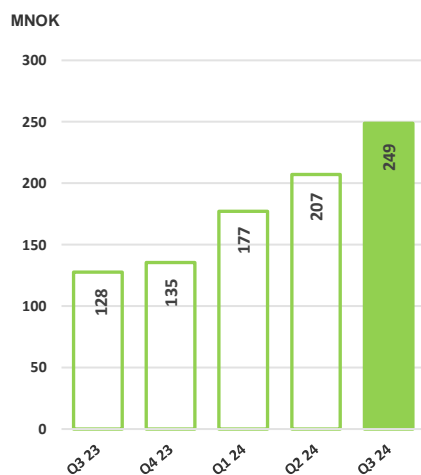
expected to increase gradually during the coming quarters as ramp-up continues. When full capacity is reached, Norske Skog Bruck will have a production capacity of 0.2 million tonnes of recycled containerboard.

Norske Skog Golbey in France is currently converting PM1 for production of packaging paper and will start production in the first quarter of 2025. When full capacity is reached, Norske Skog Golbey will have a production capacity of 0.6 million tonnes of recycled containerboard.

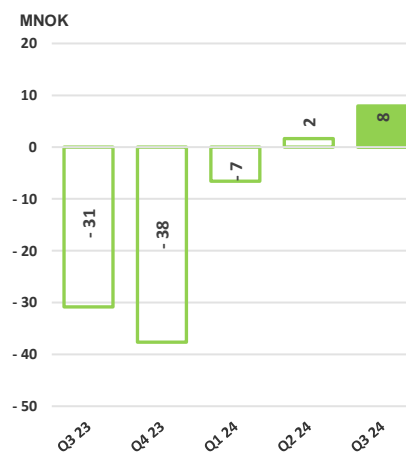
The machines are expected to operate at 60-70% utilisation in the first year of operation. Once at full utilisation, the machines are expected to generate annual EBITDA of EUR 70-80 million, based on historical prices and margins seen in the market.

EBITDA in the period was slightly positive due to higher delivered volume and higher sales prices.

**PACKAGING PAPER  
TOTAL OPERATING INCOME**



**PACKAGING PAPER  
EBITDA**



## OTHER ACTIVITIES

NOK MILLION	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Total operating income	225	189	133	573	282
EBITDA	-19	-1	-5	-29	-35

Operating income in other activities mainly consist of sourcing solutions and non-paper related operations.

Other activities include unallocated headquarter costs. The unallocated headquarter costs are estimated to be EBITDA negative by approximately NOK 40 million annually but are not uniformly distributed throughout the quarters of the year.

## CASH FLOW

NOK MILLION	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
EBITDA	91	471	327	637	1 382
Change in working capital	-261	201	-153	-131	201
Restructuring payments	-11	-6	-13	-31	-44
Gain and losses from divestments	-2	0	-1	44	1
Insurance compensation from property damage	-25	-338	-67	-414	-67
Net financial items	-51	-52	-19	-155	-90
Taxes paid	-5	15	-25	8	-594
Other items	-7	9	124	-1	168
<b>Net cash flow from operating activities</b>	<b>-272</b>	<b>299</b>	<b>173</b>	<b>-43</b>	<b>956</b>
<b>Purchases of property, plant and equipment and intangible assets</b>	<b>-316</b>	<b>-442</b>	<b>-1 018</b>	<b>-1 096</b>	<b>-2 284</b>
-whereof maintenance capex	-77	-57	-89	-166	-239

Net cash flow from operating activities was negative NOK 272 million in the quarter.

The operating cash flow was negatively impacted by an increase in working capital of NOK 261 million due to recognition of CO2 related items and higher inventories.

Restructuring payments in the quarter are mainly related to settlement of restructuring costs due to organisational changes.

Net financial items in the quarter relate mainly to interest payments.

Maintenance capex of NOK 77 million relate to ordinary maintenance in the quarter, an increase from the previous quarter.

Remaining purchases of property, plant and equipment and intangible assets mainly relate to investments in the packaging paper projects at Norske Skog Golbey, the TMP capacity expansion project at Norske Skog Skogn and ongoing work at Norske Skog Saugbrugs.

## BALANCE SHEET

NOK MILLION	30 SEP 2024	30 JUN 2024	31 DEC 2023	30 SEP 2023
Non-current assets	10 132	9 660	9 068	8 790
<b>Cash and cash equivalents</b>	<b>1 605</b>	<b>2 784</b>	<b>2 463</b>	<b>2 036</b>
Inventories, trade and other receivables and other current assets	3 087	2 757	3 223	3 073
Total assets	14 824	15 201	14 755	13 898
<b>Equity</b>	<b>6 132</b>	<b>6 138</b>	<b>6 161</b>	<b>5 880</b>
Non-current liabilities	5 739	5 275	5 680	5 607
Current liabilities	2 952	3 789	2 914	2 411
<b>Net interest-bearing debt</b>	<b>3 717</b>	<b>2 970</b>	<b>2 590</b>	<b>2 662</b>

Total assets decreased in the quarter, mainly due to a decrease in cash and cash equivalents as the remaining principal of NOK 977 million from the refinanced bond issue was paid in the quarter.

Non-current liabilities were higher than the previous quarter mainly reflecting the NOK 500 million green term loan issued at Norske Skog Skogn in the quarter and currency changes on euro denominated debt.

Current liabilities were lower than the previous quarter, mainly due to the remaining principal of NOK 977 million of the refinanced bond issue being repaid during the quarter.

Local debt to finance the packaging paper projects at Norske Skog Bruck and Norske Skog Golbey had an outstanding amount of approximately EUR 232 million at quarter end, compared to EUR 239 million at previous quarter end.

Net interest-bearing debt increased from NOK 2 970 million to NOK 3 717 million in the quarter, mainly due to investments in the quarter, increase in working capital, and weaker NOK influencing EUR-denominated debts.



## OUTLOOK

The development in the global economy is of vital importance for consumer spending, and this impacts the publication paper and packaging paper industry, and thus Norske Skog's operations and results. Norske Skog's deliveries have continued to improve during the third quarter of 2024 and is expected to improve in fourth quarter.

The raw material and energy markets, which are important for both publication paper and packaging paper production, are expected to remain uncertain, although prices have come down closer to historical levels. Cost of recovered paper has increased significantly, and the quality and availability has deteriorated. This trend is expected to persist for the remainder of 2024 and into 2025. Pulpwood prices is expected to remain at higher levels in fourth quarter.

The level of input costs and demand for paper will continue to influence paper sales prices in Europe. Both publication and packaging markets are characterised by excess capacity and capacity reductions are required to balance the markets. Industry utilisation is expected to remain weak until capacity is reduced. Norske Skog is able to maintain a higher utilisation rate than the industry average.

The production of recycled containerboard at Norske Skog Bruck PM3 is expected to increase in line with plan over the coming quarters. The EBITDA from the Packaging Paper segment in 2024 is expected to be positive, as the allocation of fixed costs relating to Norske Skog Golbey PM1 will be shifted to the first quarter of 2025 in line with the revised start-up timeline.

Norske Skog Saugbrugs continues to progress with the design phase of a new bleached chemi-thermomechanical pulp (BCTMP) line, with expected final investment decision in the first half of 2025. Potential investments into a BCTMP line at Saugbrugs will result in recognition and receipt of additional insurance compensation of NOK 615 million.

In Australasia, markets remain challenging with a large share of volume being delivered in low margin export markets. There is continuous effort to improve the mill's cost position and commercial terms.

Norske Skog will continue to develop its industrial sites with new fibre projects based on efficient use of certified fibre and renewable energy, both on a stand-alone basis and in partnerships.

SKØYEN, 17 OCTOBER 2024  
THE BOARD OF DIRECTORS OF NORSKE SKOG ASA



Arvid Grundekjøn  
Chair



Trine-Marie Hagen  
Board member




Terje Sagbakken  
Board member



Christoffer Bull  
Board member



Tone Wille  
Board member



Geir Drangslund  
CEO

## INTERIM FINANCIAL STATEMENTS, THIRD QUARTER OF 2024

### CONDENSED CONSOLIDATED INCOME STATEMENT

NOK MILLION	NOTE	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Operating revenue		2 868	2 725	2 643	8 143	8 932
Other operating income	9	139	492	393	768	829
<b>Total operating income</b>	<b>4</b>	<b>3 006</b>	<b>3 217</b>	<b>3 036</b>	<b>8 911</b>	<b>9 760</b>
Distribution costs		-326	-309	-270	-932	-804
Cost of materials		-1 858	-1 692	-1 611	-5 097	-5 194
Employee benefit expenses		-515	-507	-538	-1 527	-1 562
Other operating expenses		-217	-238	-291	-719	-818
Restructuring expenses		-2	0	-18	-14	-29
Depreciation	5	-132	-128	-141	-386	-384
Impairments	5	0	-22	0	-22	0
Derivatives and other fair value adjustments	6	30	44	-131	-41	-701
<b>Operating earnings</b>		<b>-13</b>	<b>364</b>	<b>36</b>	<b>175</b>	<b>267</b>
Share of profit in associated companies and joint ventures	7	-36	-25	-3	-65	-10
Financial items	8	-108	-29	79	-336	-253
<b>Profit/loss before income taxes</b>		<b>-156</b>	<b>311</b>	<b>112</b>	<b>-227</b>	<b>4</b>
Income taxes		3	-66	22	-9	-6
<b>Profit/loss for the period</b>		<b>-153</b>	<b>245</b>	<b>134</b>	<b>-236</b>	<b>-1</b>
Basic earnings per share (NOK)		-1.80	2.89	1.45	-2.78	-0.01
Diluted earnings per share (NOK)		-1.80	2.89	1.45	-2.78	-0.01

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
<b>Profit/loss for the period</b>	<b>-153</b>	<b>245</b>	<b>134</b>	<b>-236</b>	<b>-1</b>
<b>Items that may be reclassified subsequently to profit or loss</b>					
Currency translation differences	148	-111	-176	214	254
Tax expense on translation differences	0	0	0	0	0
Reclassified translation differences upon divestment of foreign operations	0	0	0	-7	5
<b>Other comprehensive income for the period</b>	<b>148</b>	<b>-111</b>	<b>-176</b>	<b>208</b>	<b>258</b>
<b>Total comprehensive income for the period</b>	<b>-5</b>	<b>133</b>	<b>-42</b>	<b>-29</b>	<b>257</b>

## CONDENSED CONSOLIDATED BALANCE SHEET

NOK MILLION	NOTE	30 SEP 2024	30 JUN 2024	31 DEC 2023	30 SEP 2023
Deferred tax asset		185	189	206	270
Intangible assets	5	12	12	12	13
Property, plant and equipment	5	9 740	9 234	8 567	7 982
Investments in associated companies and joint ventures	7	15	51	80	90
Other non-current assets	6	180	174	203	434
<b>Total non-current assets</b>		<b>10 132</b>	<b>9 660</b>	<b>9 068</b>	<b>8 790</b>
Inventories		1 649	1 523	1 360	1 521
Trade and other receivables		1 235	1 069	1 635	1 433
Other current assets	6	202	164	229	120
Cash and cash equivalents		1 605	2 784	2 463	2 036
<b>Total current assets</b>		<b>4 692</b>	<b>5 540</b>	<b>5 687</b>	<b>5 109</b>
<b>Total assets</b>		<b>14 824</b>	<b>15 201</b>	<b>14 755</b>	<b>13 898</b>
Paid-in equity	10	8 860	8 860	8 860	8 872
Retained earnings		-2 728	-2 723	-2 700	-2 992
<b>Total equity</b>		<b>6 132</b>	<b>6 138</b>	<b>6 161</b>	<b>5 880</b>
Employee benefit obligations		299	290	294	290
Deferred tax liability		199	204	202	206
Interest-bearing non-current liabilities	8	4 686	4 184	4 536	4 395
Other non-current liabilities	6	555	596	647	716
<b>Total non-current liabilities</b>		<b>5 739</b>	<b>5 275</b>	<b>5 680</b>	<b>5 607</b>
Trade and other payables		2 169	2 076	2 256	1 804
Tax payable		12	14	11	9
Interest-bearing current liabilities	8	636	1 569	517	303
Other current liabilities	6	135	128	130	296
<b>Total current liabilities</b>		<b>2 952</b>	<b>3 789</b>	<b>2 914</b>	<b>2 411</b>
<b>Total liabilities</b>		<b>8 691</b>	<b>9 063</b>	<b>8 594</b>	<b>8 018</b>
<b>Total equity and liabilities</b>		<b>14 824</b>	<b>15 201</b>	<b>14 755</b>	<b>13 898</b>

SKØYEN, 17 OCTOBER 2024  
THE BOARD OF DIRECTORS OF NORSKE SKOG ASA



Arvid Grundekjøn  
Chair



Trine-Marie Hagen  
Board member



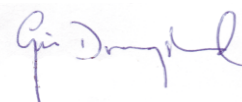
Terje Sagbakken  
Board member



Christoffer Bull  
Board member



Tone Wille  
Board member



Geir Drangslund  
CEO

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

NOK MILLION	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Cash generated from operations	2 774	3 291	2 892	8 781	10 381
Cash used in operations	-2 990	-2 955	-2 676	-8 677	-8 741
Cash flow from currency hedges and financial items	-26	-15	11	-54	-14
Interest payments received	28	19	29	68	72
Interest payments made	-53	-56	-59	-168	-148
Taxes paid	-5	15	-25	8	-594
<b>Net cash flow from operating activities <sup>1)</sup></b>	<b>-272</b>	<b>299</b>	<b>173</b>	<b>-43</b>	<b>956</b>
Purchases of property, plant and equipment and intangible assets	-316	-442	-1 018	-1 096	-2 284
Sales of property, plant and equipment and intangible assets	2	0	2	2	6
Proceeds from property damage insurance	25	338	67	414	67
Dividend proceeds from joint venture	0	0	0	0	200
Sales of shares in companies and other financial instruments	0	0	0	-91	0
<b>Net cash flow from investing activities</b>	<b>-289</b>	<b>-104</b>	<b>-949</b>	<b>-771</b>	<b>-2 012</b>
New loans raised	495	1 437	506	1 931	902
Repayments of loans	-1 130	-754	-75	-2 002	-231
Purchase treasury shares	0	0	-277	0	-277
<b>Net cash flow from financing activities</b>	<b>-635</b>	<b>683</b>	<b>154</b>	<b>-71</b>	<b>394</b>
Foreign currency effects on cash and cash equivalents	18	-9	-15	26	47
<b>Total change in cash and cash equivalents</b>	<b>-1 179</b>	<b>869</b>	<b>-637</b>	<b>-858</b>	<b>-615</b>
<b>Cash and cash equivalents at start of period</b>	<b>2 784</b>	<b>1 915</b>	<b>2 673</b>	<b>2 463</b>	<b>2 650</b>
<b>Cash and cash equivalents at end of period</b>	<b>1 605</b>	<b>2 784</b>	<b>2 036</b>	<b>1 605</b>	<b>2 036</b>
<b><sup>1)</sup> Reconciliation of net cash flow from operating activities</b>					
Profit/loss before income taxes	-156	311	112	-227	4
Change in working capital	-261	201	-153	-131	201
Change in restructuring provisions	-10	-6	5	-17	-15
Depreciation and impairments	132	150	141	408	384
Derivatives and other fair value adjustments	-34	-44	131	38	701
Gain and losses from divestment of business activities and PPE	-2	0	-1	44	1
Insurance compensation from property damage	-25	-338	-67	-414	-67
Net financial items without cash effect	92	1	-95	247	173
Taxes paid	-5	15	-25	8	-594
Change in pension obligations and other employee benefits	-4	-6	-6	-18	-15
Adjustment for other items	0	15	130	20	183
<b>Net cash flow from operating activities</b>	<b>-272</b>	<b>299</b>	<b>173</b>	<b>-43</b>	<b>956</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN GROUP EQUITY

NOK MILLION	PAID-IN EQUITY	OTHER PAID-IN EQUITY	RETAINED EARNINGS	TOTAL EQUITY
<b>Equity 1 January 2023</b>	<b>6 649</b>	<b>2 249</b>	<b>-2 989</b>	<b>5 909</b>
Profit/loss for the period	0	0	-135	-135
Other comprehensive income for the period	0	0	434	434
<b>Equity 30 June 2023</b>	<b>6 649</b>	<b>2 249</b>	<b>-2 690</b>	<b>6 208</b>
Treasury shares	-26	0	-260	-286
Profit/loss for the period	0	0	134	134
Other comprehensive income for the period	0	0	-176	-176
<b>Equity 30 September 2023</b>	<b>6 623</b>	<b>2 249</b>	<b>-2 992</b>	<b>5 880</b>
Treasury shares	-12	0	-117	-129
Profit/loss for the period	0	0	482	482
Other comprehensive income for the period	0	0	-16	-16
Dividends paid	0	0	-57	-57
<b>Equity 31 December 2023</b>	<b>6 611</b>	<b>2 249</b>	<b>-2 700</b>	<b>6 161</b>
Profit/loss for the period	0	0	-328	-328
Other comprehensive income for the period	0	0	171	171
<b>Equity 31 March 2024</b>	<b>6 611</b>	<b>2 249</b>	<b>-2 856</b>	<b>6 004</b>
Profit/loss for the period	0	0	245	245
Other comprehensive income for the period	0	0	-111	-111
<b>Equity 30 June 2024</b>	<b>6 611</b>	<b>2 249</b>	<b>-2 723</b>	<b>6 138</b>
Profit/loss for the period	0	0	-153	-153
Other comprehensive income for the period	0	0	148	148
<b>Equity 30 September 2024</b>	<b>6 611</b>	<b>2 249</b>	<b>-2 728</b>	<b>6 132</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Norske Skog ASA (“the company”) and its subsidiaries (“the group” or “Norske Skog”) produce, distribute and sell publication paper and packaging paper. This includes newsprint, magazine paper and recycled containerboard.

All amounts in the interim financial statements are presented in NOK million unless otherwise stated. Due to rounding, there may be differences in the summation of columns and rows.

The table below shows the applied average (un-weighted monthly) foreign exchange rates per quarter and the closing exchange rate at month ends for the most important currencies for the group.

	Q3 2024	Q2 2024	30 SEP 2024	30 JUN 2024	31 DEC 2023
AUD	7.17	7.08	7.28	7.09	6.91
EUR	11.76	11.56	11.76	11.40	11.24
GBP	13.92	13.56	14.08	13.47	12.93
USD	10.71	10.74	10.51	10.65	10.17

## 2. ACCOUNTING POLICIES

The interim financial statements of Norske Skog have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not include all information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for 2023. The interim financial statements are unaudited.

The accounting policies applied in the preparation of the interim financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended

31 December 2023, except for the adaptation of amended standards and new interpretations, which are mandatory from 1 January 2024. These changes are described in the consolidated financial statements for 2023.

The group has not early adopted any standard, interpretation or amendment that has been issued but is not yet mandatory.

## 3. ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

Preparation of interim financial statements in accordance with IFRS implies use of estimates, which are based on judgements and assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, revenues and expenses. Actual amounts might differ from such estimates.

### *Recoverable amount of intangible assets and property, plant and equipment*

Property, plant and equipment are tested for possible impairment charges whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A prolonged decrease in prices or demand beyond the historical level could be an indicator of impairment and an impairment test will be prepared. The recoverable amount is the higher of an asset's fair value less sales costs or its value in use. Value in use is the present value of the future cash flows expected to be derived from a cash-generating unit. The key drivers of profitability in the industry and thus asset values for Norske Skog are product prices relative to production costs.

### *Accounting treatment of physical energy contracts and other financial instruments*

Norske Skog's portfolio of commodity contracts consist mainly of physical contracts that are settled through physical delivery. Embedded derivatives in commodity contracts are measured at fair value and embedded derivatives that are not traded in an active market, are assessed through valuation techniques. The fair value of embedded derivatives in physical contracts vary depending on changes in currency and price indexes.

Commodity contracts that fail to meet the “own-use exemption” criteria in IFRS 9 *Financial instruments* – recognition and measurement are recognised in the balance sheet and valued at fair value.

The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. See Note 22 in the consolidated financial statements for 2023 for more information regarding the calculation of fair value of derivatives.

See Note 3 in the consolidated financial statements for 2023 for a more thorough description of important accounting estimates and assumptions impacting the preparation of financial statements.

## 4. OPERATING SEGMENTS

The activities of the Norske Skog group are separated into three operating segments, Publication Paper Europe, Publication Paper Australasia and Packaging Paper which is in line with how the group is managed internally. Norske Skog's chief operating decision maker is corporate management, who distribute resources and assess performance of the group's operating segments. Norske Skog has an integrated strategy across the three segments to maximise profits. The optimisation is carried out through coordinated sales and operational planning. The regional planning, in combination with structured sales and operational processes, ensures maximisation of profit.

Publication paper includes newsprint and magazine paper. Newsprint includes standard newsprint and improved newsprint used in newspapers, inserts, catalogues etc. Magazine paper includes the paper qualities supercalendered (SC) and lightweight coated (LWC). Magazine paper is used in magazines, catalogues, and advertising materials.

Publication Paper Europe segment encompasses production and sale of newsprint and magazine paper in Europe. All four European industrial sites and the regional sales organisation are included in the operating segment publication paper Europe.

Publication Paper Australasia encompasses production and sale of newsprint and magazine paper in Australasia. Norske Skog Boyer, the only producer of newsprint and magazine grade in the region, and the regional sales organisation is included in the operating segment publication paper Australasia.

Packaging Paper was established as a new reporting segment from 2023. The segment includes Norske Skog's production of recycled containerboard, mainly the grades testliner 3 and fluting. Testliner 3 and fluting are used by corrugators as outer and inner layers of packaging material. The segment currently comprises one machine, PM3, at Norske Skog Bruck. From the first quarter of 2025, Norske Skog Golbey PM1 will also be included in the segment.

Activities in the group that do not fall into the operating segments are presented under other activities. This includes corporate functions, sourcing solutions and other holding company activities.

Q3 2024	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	2 124	494	212	225	-187	2 868
Other operating income	100	1	37	0	0	139
<b>Total operating income</b>	<b>2 224</b>	<b>496</b>	<b>249</b>	<b>225</b>	<b>-187</b>	<b>3 006</b>
Distribution costs	-234	-65	-27	0	0	-326
Cost of materials	-1 357	-311	-154	-195	160	-1 858
Employee benefit expenses	-356	-83	-45	-32	0	-515
Other operating expenses	-178	-35	-15	-17	28	-217
<b>EBITDA</b>	<b>99</b>	<b>3</b>	<b>8</b>	<b>-19</b>	<b>0</b>	<b>91</b>
Restructuring expenses	0	0	0	-1	0	-2
Depreciation	-90	-11	-30	-2	0	-132
Derivatives and other fair value adjustments	36	0	0	-6	0	30
<b>Operating earnings</b>	<b>45</b>	<b>-8</b>	<b>-22</b>	<b>-28</b>	<b>0</b>	<b>-13</b>
Share of operating revenue from external parties (%)	100	100	100	22		100

Q2 2024	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	2 053	466	182	189	-165	2 725
Other operating income	461	5	26	0	0	492
<b>Total operating income</b>	<b>2 514</b>	<b>472</b>	<b>207</b>	<b>189</b>	<b>-165</b>	<b>3 217</b>
Distribution costs	-222	-62	-25	0	0	-309
Cost of materials	-1 271	-282	-124	-152	137	-1 692
Employee benefit expenses	-367	-80	-41	-20	0	-507
Other operating expenses	-192	-41	-15	-18	28	-238
<b>EBITDA</b>	<b>464</b>	<b>6</b>	<b>2</b>	<b>-1</b>	<b>0</b>	<b>471</b>
Depreciation	-88	-9	-29	-2	0	-128
Impairments	0	-22	0	0	0	-22
Derivatives and other fair value adjustments	46	0	0	-3	0	44
<b>Operating earnings</b>	<b>423</b>	<b>-25</b>	<b>-27</b>	<b>-6</b>	<b>0</b>	<b>364</b>
Share of operating revenue from external parties (%)	100	100	100	20		100

## NORSKE SKOG QUARTERLY REPORT – THIRD QUARTER 2024 (UNAUDITED)

Q3 2023	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	2 047	471	99	130	-103	2 643
Other operating income	358	6	29	2	-2	393
<b>Total operating income</b>	<b>2 405</b>	<b>476</b>	<b>128</b>	<b>133</b>	<b>-106</b>	<b>3 036</b>
Distribution costs	-201	-53	-16	0	0	-270
Cost of materials	-1 217	-286	-87	-96	75	-1 611
Employee benefit expenses	-393	-79	-41	-27	2	-538
Other operating expenses	-258	-32	-15	-15	29	-291
<b>EBITDA</b>	<b>335</b>	<b>27</b>	<b>-31</b>	<b>-5</b>	<b>0</b>	<b>327</b>
Restructuring expenses	-2	0	0	-16	0	-18
Depreciation	-96	-16	-27	-2	0	-141
Derivatives and other fair value adjustments	-131	0	0	0	0	-131
<b>Operating earnings</b>	<b>106</b>	<b>11</b>	<b>-58</b>	<b>-23</b>	<b>0</b>	<b>36</b>
Share of operating revenue from external parties (%)	100	100	100	23		100

YTD 2024	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	6 133	1 398	534	572	-494	8 143
Other operating income	663	7	99	1	-2	768
<b>Total operating income</b>	<b>6 796</b>	<b>1 405</b>	<b>633</b>	<b>573</b>	<b>-496</b>	<b>8 911</b>
Distribution costs	-669	-188	-75	0	0	-932
Cost of materials	-3 776	-877	-384	-470	410	-5 097
Employee benefit expenses	-1 080	-244	-126	-80	2	-1 527
Other operating expenses	-543	-162	-45	-52	84	-719
<b>EBITDA</b>	<b>729</b>	<b>-65</b>	<b>3</b>	<b>-29</b>	<b>0</b>	<b>637</b>
Restructuring expenses	-6	-3	0	-5	0	-14
Depreciation	-264	-28	-87	-6	0	-386
Impairments	0	-22	0	0	0	-22
Derivatives and other fair value adjustments	-32	0	0	-8	0	-41
<b>Operating earnings</b>	<b>425</b>	<b>-119</b>	<b>-84</b>	<b>-48</b>	<b>0</b>	<b>175</b>
Share of operating revenue from external parties (%)	100	100	100	21		100

YTD 2023	PUBLICATION PAPER EUROPE	PUBLICATION PAPER AUSTRALASIA	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	7 374	1 397	137	279	-255	8 932
Other operating income	738	2	90	4	-5	829
<b>Total operating income</b>	<b>8 112</b>	<b>1 399</b>	<b>227</b>	<b>282</b>	<b>-260</b>	<b>9 760</b>
Distribution costs	-595	-187	-23	0	0	-804
Cost of materials	-4 181	-849	-151	-171	158	-5 194
Employee benefit expenses	-1 122	-241	-116	-88	5	-1 562
Other operating expenses	-687	-123	-46	-57	96	-818
<b>EBITDA</b>	<b>1 527</b>	<b>-1</b>	<b>-109</b>	<b>-35</b>	<b>0</b>	<b>1 382</b>
Restructuring expenses	-2	-1	0	-26	0	-29
Depreciation	-295	-38	-44	-6	0	-384
Derivatives and other fair value adjustments	-701	0	0	0	0	-701
<b>Operating earnings</b>	<b>528</b>	<b>-40</b>	<b>-154</b>	<b>-67</b>	<b>0</b>	<b>267</b>
Share of operating revenue from external parties (%)	100	100	99	11		100



SEGMENT OTHER ACTIVITIES	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
<b>OTHER OPERATING REVENUE</b>					
Corporate functions	24	24	28	73	88
Sourcing solutions	201	165	104	500	194
<b>Total</b>	<b>225</b>	<b>189</b>	<b>133</b>	<b>573</b>	<b>282</b>
<b>EBITDA</b>					
Corporate functions	-17	-1	-5	-30	-37
Sourcing solutions	-2	0	0	1	3
<b>Total</b>	<b>-19</b>	<b>-1</b>	<b>-5</b>	<b>-29</b>	<b>-35</b>

## 5. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

JAN-SEP 2024	PROPERTY, PLANT AND EQUIPMENT	RIGHT-OF-USE ASSETS	TOTAL PROPERTY PLANT AND EQUIPMENT	INTANGIBLE ASSETS
Carrying value at start of period	8 483	84	8 567	12
Additions*	1 115	105	1 220	4
Depreciation	-348	-34	-382	-4
Impairments	-22	0	-22	0
Disposals	0	-2	-2	0
Currency translation differences	355	4	359	0
<b>Carrying value at end of period</b>	<b>9 583</b>	<b>157</b>	<b>9 740</b>	<b>12</b>

\*The difference between additions and the line Purchases of property, plant and equipment and intangible assets in the condensed consolidated statement of cash flows is due to right-of-use assets, accruals for payments and other additions with no cash impact.

### PER OPERATING SEGMENTS

30 SEP 2024	TOTAL PROPERTY PLANT AND EQUIPMENT	INTANGIBLE ASSETS
Publication paper Europe	6 944	4
Publication paper Australasia	257	1
Packaging paper	2 519	1
Other activities	20	6
<b>Total</b>	<b>9 740</b>	<b>12</b>

## 6. ENERGY CONTRACTS, DERIVATIVES AND FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

30 SEP 2024	ASSETS		LIABILITIES	
	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Energy contracts and embedded derivatives in energy contracts (level 3)	38	0	33	182
Energy contracts (level 2)	0	0	5	0
Other derivatives and financial instruments carried at fair value (level 2)	9	0	33	0
<b>Total</b>	<b>47</b>	<b>0</b>	<b>72</b>	<b>182</b>

Norske Skog's portfolio of commodity contracts consists mainly of physical energy contracts some of which contain embedded derivatives related to currency. Certain of the energy contracts are measured at fair value. The fair value of commodity contracts is especially sensitive to future changes in energy prices in the region they cover.

The contract prices for energy in Norway are sensitive to change in publication paper prices and pulpwood prices. Externally forecasted price increases/decreases for paper increases/decreases the cost of energy. Contract prices vs market prices for energy have developed in opposite directions in the relevant energy areas in Norway, while a weaker NOK has impacted embedded derivatives negatively. There has been a net positive change in the fair value of the contracts and embedded derivatives in the quarter of NOK 30 million.

Changes in the value of energy contracts, commodity contracts and embedded derivatives in contracts are presented in the income statement line Derivatives and other fair value adjustments. A sensitivity analysis of the impact on profit after tax of fluctuations in energy prices, currency and price indices is given in Note 5 in the consolidated financial statements for 2023.

Financial derivative contracts are accounted for at fair value and changes in contracts are presented in the income statement under financial items. A sensitivity analysis of the impact on profit after tax of fluctuations in currency is given in Note 5 in the consolidated financial statements for 2023.

The valuation techniques used are described in Note 22 in the consolidated financial statement for 2023.

## 7. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

Investments in associated companies and joint ventures are accounted for in accordance with the equity method. The carrying value is NOK 15 million on 30 September 2024.

Norske Skog holds a 50% share of Porsnes Utvikling AS, an equal ownership joint venture between Ringstad Næringsutvikling AS and Norske Skog Saugbrugs AS. On 30 September 2024 this has a carrying value of NOK 7 million.

Norske Skog holds a 26% share of Circa Group AS that has been suspended from trading on Euronext Growth following its filed petition for bankruptcy on 7 October. Norske Skog has in the third quarter

included a loss of NOK 5 million reflecting the second quarter result in Circa Group AS. In addition there has been an impairment of the shares of NOK 31 million in the quarter, to reflect the market value of nil. Total loss in 2024 amounts to NOK 65 million.

## 8. FINANCIAL ITEMS AND DEBT REPAYMENTS

### FINANCIAL ITEMS

NOK MILLION	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Net interest expenses	-29	-28	-30	-97	-82
Currency gains/losses*	-42	54	127	-128	-117
Other financial items	-37	-55	-17	-112	-54
<b>Total financial items</b>	<b>-108</b>	<b>-29</b>	<b>79</b>	<b>-336</b>	<b>-253</b>

\*Currency gains/losses on trade receivables and trade payables are reported as operating revenue and cost of materials respectively.

### FINANCING

Norske Skog has credit facility agreements in an aggregate amount of EUR 265 million to finance its investment in the conversion projects to recycled containerboard. EUR 193 million is for the project at Norske Skog Golbey and EUR 72 million for the project at Norske Skog Bruck. The borrowing entities are Norske Skog Bruck GmbH and Norske Skog Golbey SAS, and the facilities are fully guaranteed by Norske Skog ASA.

The facilities are drawn as capital expenditures are incurred, and repayment is scheduled to commence approximately upon completion of each respective project with average maturity towards the end of 2030. As of 30 September 2024, the outstanding amount was EUR 232 million.

During the third quarter, Norske Skog repaid the remaining principal of EUR 85.7 million (NOK 977 million) of the NSKOG02 EUR 150 million senior secured bond. The new NSKOG03 NOK 1 600 million senior unsecured bond issued during the previous quarter matures in June 2029 and has an interest rate of NIBOR (zero floor) + 4.5% with quarterly interest payments. As of 30 September 2024, the outstanding amount under NSKOG03 was NOK 1 400 million.

During the third quarter, Norske Skog Skogn AS signed a loan agreement for a NOK 500 million green term loan. The loan was fully

drawn at quarter-end. The maturity date is September 2027 with an opportunity for extension up to two years.

Norske Skog ASA cancelled its undrawn EUR 31 million Revolving Credit Facility during the third quarter to comply with the terms for the new green term loan at Norske Skog Skogn AS.

The EUR 54 million credit facility for the waste-to-energy plant in Norske Skog Bruck GmbH commenced repayments in the fourth quarter of 2022. As of 30 September 2024, the outstanding amount was EUR 37 million. The final maturity date is in 2028.

The remaining financing arrangements for the group includes leasing, factoring, and other credit facilities at the mill level.

The financing covenants applicable to Norske Skog on a consolidated basis are (i) freely available and unrestricted cash and cash equivalents of minimum NOK 100 million, (ii) EBITDA\* to net interest costs of minimum 2.0:1, (iii) book equity to total assets of minimum 25%, and (iv) minimum LTM EBITDA\* of NOK 400 million. In addition, there are various company specific financial covenants applicable to the subsidiaries acting as borrowers under the respective credit facilities.

\*The EBITDA used in the financial covenants' calculations may differ from the EBITDA shown in the financial reporting due to adjustment requirements in the financing agreements.

### BONDS

MILLION	MATURITY	CURRENCY	INTEREST RATE	NOMINAL VALUE	AMOUNT OUTSTANDING 30 SEP 2024
NSKOG03	June 2029	NOK	NIBOR +4.5%	1 600	1 400

### DEBT REPAYMENT SCHEDULE\*

NOK MILLION	2024	2025	2026	2027	2028-
Bonds	0	0	0	0	1 400
Debt to credit institutions	174	637	607	949	1 419
<b>Total</b>	<b>174</b>	<b>637</b>	<b>607</b>	<b>949</b>	<b>2 819</b>

\*Not including items relating to leases.

Total debt listed in the repayment schedule differs from the carrying value in the balance sheet. This is due to the amortized cost principle.

Debt repayment in the fourth quarter amounts to NOK 174 million and relates to repayment of project debt at Norske Skog Golbey and Norske Skog Bruck.

Financed amounts from securitisation arrangements is classified as interest-bearing current liabilities. New loans are initiated on a

consecutive basis based on new trade receivables included under the securitization agreement. The liability is in its nature current, and Norske Skog does not have an unconditional right to defer settlement beyond twelve months. The liabilities are liabilities that are settled through its normal operating cycle. The corresponding trade receivable is derecognised when the customer pays it.

## 9. NORSKE SKOG SAUGBRUGS ROCKSLIDE

On 27 April 2023 Norske Skog Saugbrugs was impacted by a rockslide that destroyed parts of the building and damaged machinery and equipment related to PM6. The damages to the building and infrastructure were extensive and PM6 has been stopped from the time of the impact.

Work has continued to secure the site from further rockslide and rebuild the damaged building and infrastructure.

Norske Skog Saugbrugs is covered for both property damage and business interruption as part of its group insurance program.

Property damage was mainly related to assets that were largely depreciated to low values. A write down of NOK 10 million related to destroyed assets was recognised in 2023.

On 2 November 2023 Norske Skog announced that it has agreed a settlement with the insurers in relation to both business interruption and property damage.

In relation to business interruption for the coverage period of 18 months from the date of the incident an amount of NOK 850 million was agreed. This has been recognised in full in 2023. NOK 635 million of the

insurance settlement proceeds was received in 2023 while the remaining NOK 215 million was received in the first quarter of 2024.

The property damage to building structures and cost of reinstatement of these as well as costs to secure rock formations will be covered by Norske Skog Saugbrugs, but fully reimbursed by the insurers. In third quarter NOK 25 million has been recognised and capitalised as property, plant and equipment.

In addition, a settlement of NOK 1 billion was agreed for investments in production equipment. Of this NOK 385 million has been paid in 2023, while the remaining amount of NOK 615 million will be paid as investment costs accrue and contingent of the amount of NOK 385 million being invested at Norske Skog Saugbrugs. In the income statement, the settlement for investments in production equipment has been recognised with NOK 77 million in 2023 and NOK 308 million in 2024, of which NOK 13 million was recognized in the first quarter and NOK 295 million in the second quarter following the initiation of a BCTMP main study. In addition, NOK 615 million will be received and recognised as investment costs accrue.

## 10. PRINCIPAL SHAREHOLDERS

	NUMBER OF SHARES	OWNERSHIP %
BYGGMA ASA	17 430 431	20.55
UBS Europe SE	6 178 000	7.28
DRANGSLAND KAPITAL AS	5 316 148	6.27
J.P. Morgan SE	3 285 175	3.87
INTERTRADE SHIPPING AS	2 875 000	3.39
VERDIPAPIRFONDET FONDSFINANS NORGE	2 313 143	2.73
VERDIPAPIRFONDET HOLBERG NORGE	2 100 000	2.48
VOLDSTAD EIENDOM AS	1 920 984	2.26
The Bank of New York Mellon SA/NV	1 413 866	1.67
State Street Bank and Trust Comp	1 106 771	1.30
SPAREBANK 1 MARKETS AS	758 976	0.89
VPF SPAREBANK 1 NORGE VERDI	750 000	0.88
Pershing Securities Limited	688 585	0.81
Nordnet Bank AB	668 274	0.79
Saxo Bank A/S	597 531	0.70
NORDNET LIVSFORSIKRING AS	581 075	0.68
J.P. Morgan SE	566 669	0.67
INAK 3 AS	520 000	0.61
WENAASGRUPPEN AS	480 000	0.57
PENSJONSORDNINGEN	451 850	0.53
Other shareholders	34 835 757	41.06
<b>Total</b>	<b>84 838 235</b>	<b>100.00</b>

The data is extracted from VPS 17 October 2024. Whilst every reasonable effort is made to verify all data, VPS cannot guarantee the accuracy of the analysis.

## 11. THE NORSKE SKOG SHARE

	30 SEP 2024	30 JUN 2024	31 DEC 2023	30 SEP 2023
Share price (NOK)	35.40	43.26	41.40	46.44
Book value of equity per share (NOK)	72.28	72.35	72.62	69.31

Following the share repurchase programme executed in second half of 2023, the General Assembly resolved on 11 April 2024 cancellation of

these shares by capital reduction. The share capital reduction was completed on 28 June 2024.

## 12. RELATED PARTIES

Investor AS and subsidiaries Drangslund Kapital AS and Byggma ASA are related parties to Norske Skog through the ownership in Norske Skog ASA and the CEO Geir Drangslund being the ultimate owner for these companies.

There have not been any transactions with related parties in 2024.

## 13. EVENTS AFTER THE BALANCE SHEET DATE

There have been no events after the balance sheet date with significant impact on the interim financial statements for the third quarter of 2024.

## 14. HISTORICAL FIGURES

INCOME STATEMENT	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
<b>Total operating income</b>	<b>3 006</b>	<b>3 217</b>	<b>2 688</b>	<b>3 763</b>	<b>3 036</b>
Variable costs*	-2 183	-2 002	-1 844	-2 115	-1 881
Fixed costs*	-732	-745	-769	-888	-828
<b>EBITDA</b>	<b>91</b>	<b>471</b>	<b>76</b>	<b>760</b>	<b>327</b>
Restructuring expenses	-2	0	-13	-9	-18
Depreciation	-132	-128	-125	-130	-141
Impairments	0	-22	0	-88	0
Derivatives and other fair value adjustment	30	44	-115	97	-131
<b>Operating earnings</b>	<b>-13</b>	<b>364</b>	<b>-177</b>	<b>629</b>	<b>36</b>
Share of profit in associated companies and joint ventures	-36	-25	-5	-5	-3
Financial items	-108	-29	-200	-38	79
<b>Profit/loss before income taxes</b>	<b>-156</b>	<b>311</b>	<b>-382</b>	<b>586</b>	<b>112</b>
Income taxes	3	-66	54	-104	22
<b>Profit/loss for the period</b>	<b>-153</b>	<b>245</b>	<b>-328</b>	<b>482</b>	<b>134</b>

\* As defined in Alternative Performance Measures

SEGMENT INFORMATION	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
<b>Publication paper Europe</b>					
Total operating income	2 224	2 514	2 058	3 028	2 405
EBITDA	99	464	166	723	335
Deliveries (1 000 tonnes)	283	279	262	270	258
<b>Publication paper Australasia</b>					
Total operating income	496	472	438	568	476
EBITDA	3	6	-74	80	27
Deliveries (1 000 tonnes)	61	60	59	63	60
<b>Packaging paper</b>					
Total operating income	249	207	177	135	128
EBITDA	8	2	-7	-38	-31
Deliveries (1 000 tonnes)	42	41	38	29	26
<b>Other activities</b>					
Total operating income	225	189	158	152	133
EBITDA	-19	-1	-9	-6	-5

BALANCE SHEET	30 SEP 2024	30 JUN 2024	31 MAR 2024	31 DEC 2023	30 SEP 2023
<b>Total non-current assets</b>	<b>10 132</b>	<b>9 660</b>	<b>9 633</b>	<b>9 068</b>	<b>8 790</b>
Inventories	1 649	1 523	1 472	1 360	1 521
Trade and other receivables	1 235	1 069	1 565	1 635	1 433
Cash and cash equivalents	1 605	2 784	1 915	2 463	2 036
Other current assets	202	164	59	229	120
<b>Total current assets</b>	<b>4 692</b>	<b>5 540</b>	<b>5 011</b>	<b>5 687</b>	<b>5 109</b>
<b>Total assets</b>	<b>14 824</b>	<b>15 201</b>	<b>14 644</b>	<b>14 755</b>	<b>13 898</b>
<b>Total equity</b>	<b>6 132</b>	<b>6 138</b>	<b>6 004</b>	<b>6 161</b>	<b>5 880</b>
<b>Total non-current liabilities</b>	<b>5 739</b>	<b>5 275</b>	<b>5 757</b>	<b>5 680</b>	<b>5 607</b>
Trade and other payables	2 169	2 076	2 229	2 256	1 804
Other current liabilities	783	1 712	653	658	607
<b>Total current liabilities</b>	<b>2 952</b>	<b>3 789</b>	<b>2 883</b>	<b>2 914</b>	<b>2 411</b>
<b>Total liabilities</b>	<b>8 691</b>	<b>9 063</b>	<b>8 640</b>	<b>8 594</b>	<b>8 018</b>
<b>Total equity and liabilities</b>	<b>14 824</b>	<b>15 201</b>	<b>14 644</b>	<b>14 755</b>	<b>13 898</b>

CASH FLOW	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
<b>Reconciliation of net cash flow from operating activities</b>					
EBITDA	91	471	76	760	327
Change in working capital	-261	201	-71	399	-153
Payments made relating to restructuring activities	-11	-6	-13	-11	-13
Gain and losses from divestment	-2	0	46	-58	-1
Insurance compensation from property damage	-25	-338	-52	-55	-67
Cash flow from net financial items	-51	-52	-51	-48	-19
Taxes paid	-5	15	-2	-4	-25
Other	-7	9	-2	-11	124
<b>Net cash flow from operating activities</b>	<b>-272</b>	<b>299</b>	<b>-69</b>	<b>973</b>	<b>173</b>
Purchases of property, plant and equipment and intangible assets	-316	-442	-338	-800	-1 018
Proceeds from property damage insurance	25	338	52	55	67
Net divestments	2	0	-91	68	2
<b>Net cash flow from investing activities</b>	<b>-289</b>	<b>-104</b>	<b>-377</b>	<b>-677</b>	<b>-949</b>
<b>Net cash flow from financing activities</b>	<b>-635</b>	<b>683</b>	<b>-118</b>	<b>155</b>	<b>154</b>
Foreign currency effects on cash and cash equivalents	18	-9	17	-22	-15
<b>Total change in cash and cash equivalents</b>	<b>-1 179</b>	<b>869</b>	<b>-548</b>	<b>427</b>	<b>-637</b>

## ALTERNATIVE PERFORMANCE MEASURES

The European Securities and Markets Authority's (ESMA) has defined guidelines for alternative performance measures (APM). An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specific in the applicable financial reporting framework (IFRS). The company uses EBITDA, EBITDA margin and return on capital employed (annualized) to measure operating performance on group level. It is the company's view that the APMs provides the investors relevant and specific operating figures which may enhance their understanding of the performance.

EBITDA, EBITDA margin, variable costs, fixed costs, return on capital employed and net interest-bearing debt are defined by the company below.

**EBITDA:** Operating earnings for the period, before restructuring expenses, depreciation and amortization and impairment charges, derivatives and other fair value adjustments, determined on an entity, combined or consolidated basis. EBITDA is used for providing consisting information of operating performance and cash generating which is relative to other companies and frequently used by other stakeholders.

NOK MILLION	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Operating earnings	-13	364	36	175	267
Restructuring expenses	2	0	18	14	29
Depreciation	132	128	141	386	384
Impairments	0	22	0	22	0
Derivatives and other fair value adjustments	-30	-44	131	41	701
<b>EBITDA</b>	<b>91</b>	<b>471</b>	<b>327</b>	<b>637</b>	<b>1 382</b>

**EBITDA margin:** EBITDA/total operating income. EBITDA margins assist in providing a more comprehensive analysis of operating performance relative to other companies.

NOK MILLION	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
EBITDA	91	471	327	637	1 382
Total operating income	3 006	3 217	3 036	8 911	9 760
<b>EBITDA margin</b>	<b>3.0 %</b>	<b>14.6 %</b>	<b>10.8 %</b>	<b>7.2 %</b>	<b>14.2 %</b>

**Variable costs:** Distribution costs + cost of materials

NOK MILLION	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Distribution costs	326	309	270	932	804
Cost of materials	1 858	1 692	1 611	5 097	5 194
<b>Variable costs</b>	<b>2 183</b>	<b>2 002</b>	<b>1 881</b>	<b>6 029</b>	<b>5 998</b>

**Fixed costs:** Employee benefit expenses + other operating expenses.

NOK MILLION	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Employee benefit expenses	515	507	538	1 527	1 562
Other operating expenses	217	238	291	719	818
<b>Fixed costs</b>	<b>732</b>	<b>745</b>	<b>828</b>	<b>2 246</b>	<b>2 380</b>



**Return on capital employed (annualised):** (Annualised EBITDA – Annualised Capital expenditure)/Capital employed (average).

NOK MILLION	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
EBITDA	91	471	327	637	1 382
Capital expenditure	316	442	1 018	1 096	2 284
Average capital employed	10 115	9 843	8 776	9 892	8 086
<b>Return on capital employed (annualised)</b>	<b>-8.9 %</b>	<b>1.2 %</b>	<b>-31.5 %</b>	<b>-6.2 %</b>	<b>-14.9 %</b>

NOK MILLION	30 SEP 2024	30 JUN 2024	30 SEP 2023
Intangible assets	12	12	13
Property, plant and equipment	9 740	9 234	7 982
Inventory	1 649	1 523	1 521
Trade and other receivables	1 235	1 069	1 433
Trade and other payables	-2 169	-2 076	-1 804
<b>Capital employed</b>	<b>10 467</b>	<b>9 762</b>	<b>9 144</b>

**Net interest-bearing debt:** Net interest-bearing debt consist of bond issued and other interest-bearing liabilities (current and non-current) reduced by cash and cash equivalent.

NOK MILLION	30 SEP 2024	30 JUN 2024	30 SEP 2023
Interest-bearing non-current liabilities	4 686	4 184	4 395
Interest-bearing current liabilities	636	1 569	303
Cash and cash equivalents	-1 605	-2 784	-2 036
<b>Net interest-bearing debt</b>	<b>3 717</b>	<b>2 970</b>	<b>2 662</b>

**Capital expenditure (Capex):** Purchases of property, plant and equipment and intangible assets.

**Maintenance capex:** Capex required to maintain the group's current business.



# Norske Skog

## Q3 2024 presentation

18 October 2024

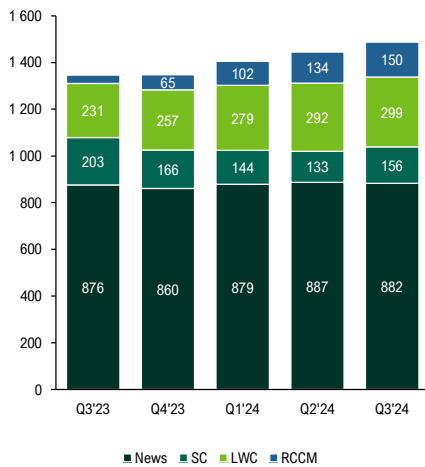
*We create green value*

## Norske Skog

*Sustainable fibre processing*

### Deliveries volume rolling last-twelve-months

Thousand tonnes



- **Growing packaging paper producer**
  - RCCM capacity: 760kt (ramp-up phase)
- **Leading publication paper producer**
  - LWC magazine capacity: 400kt
  - SC magazine capacity: 200kt
  - Newsprint capacity: 990kt
- **Exploring fibre projects**
  - BCTMP capacity: 300kt (design phase)
- **2023 CDP Climate Change Score "A-"**

## Five high quality industrial sites

*Eleven paper machines with supporting infrastructure for energy, fibre, and water*



# Quarter highlights

## Third quarter 2024

### Maintaining positive EBITDA and good cash position in challenging markets

- Quarterly EBITDA of NOK 91m with continued growth in EBITDA contributed from the Packaging Paper segment
- Signing a NOK 500m green term loan agreement at Skogn to enhance cash position

### Capacity closures required in publication paper and containerboard markets

- Price increases for containerboard and newsprint implemented in the quarter to mitigate continued cost increases
- Containerboard and publication paper markets still experiencing excess capacity

### Excellent customer feedback as containerboard deliveries continue to grow

- Bruck PM3 delivering 42kt of containerboard in the quarter and achieving utilisation to design capacity of 85%
- Expected start-up of Golbey PM1 revised to Q1 2025 and net capex revised to EUR 320m

### Design of BCTMP line at Saugbrugs progressing

- Engaged technical and environmental consultants, and working with multiple machinery and equipment suppliers
- Meetings with Norwegian Environment Agency to provide clarity on environmental permits

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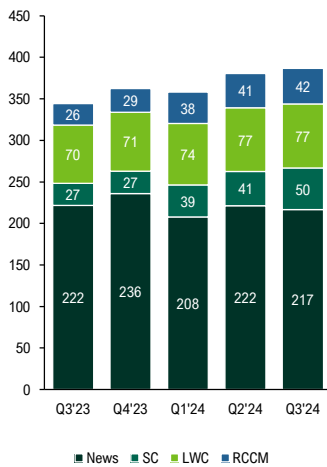


# Key figures

## Third quarter 2024

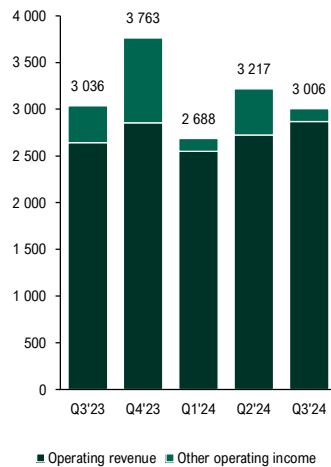
### Deliveries volume

Thousand tonnes



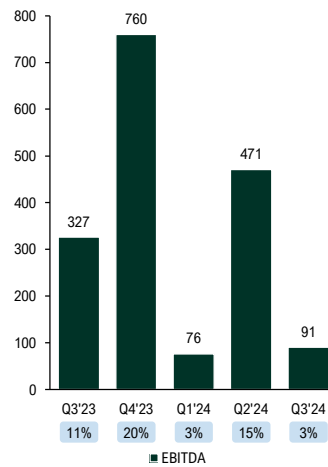
### Total operating income

NOKm



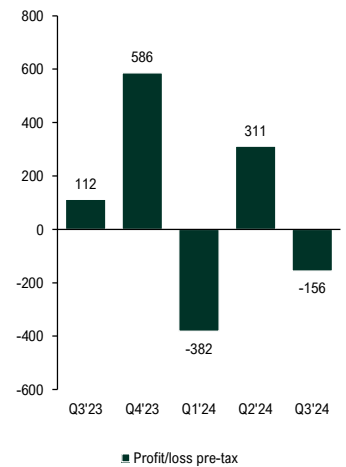
### EBITDA

NOKm (and margin)



### Pre-tax profit

NOKm



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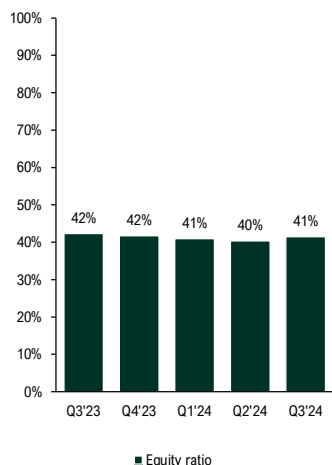


# Financial position

Third quarter 2024

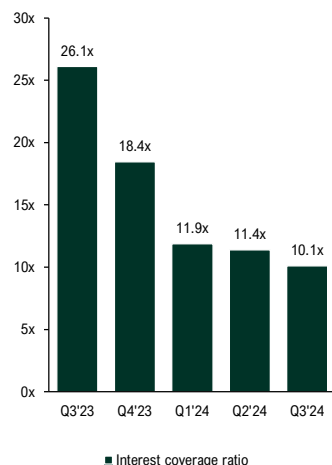
## Equity ratio

Book equity to total assets  
group covenant of min. 25%



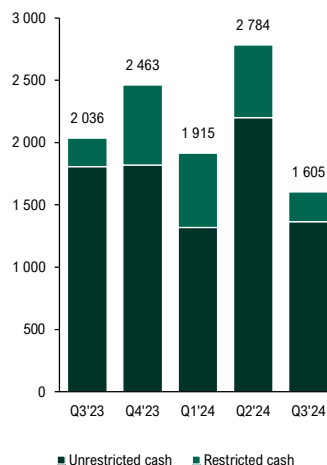
## Interest coverage ratio

EBITDA to net cash interest cost  
group covenant of min. 2.0x



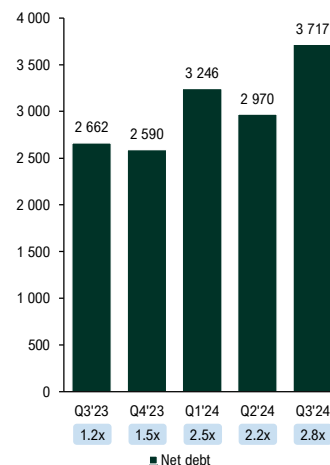
## Cash<sup>1</sup>

NOKm  
group covenant of min. NOK 100m unrestricted



## Net debt

NOKm (and leverage ratio)  
no group maintenance covenant



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Note: Covenants calculated according to definitions in loan agreements

1) For Q2 2024, note that NOK 977m (NOK 1 005m including call premium and accumulated interest) was repaid following end of quarter as part of the bond refinancing. Pro forma, in Q2 2024 the cash position was NOK 1 779m of which NOK 584m was restricted

# Segment financials

Maintaining positive EBITDA in challenging markets

NOK million	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
<b>Publication Paper Europe</b>					
Deliveries, kt	258	270	262	279	283
Total operating inc.	2 405	3 028	2 058	2 514	2 224
EBITDA	335	723	166	464	99
EBITDA margin	14%	24%	8%	18%	4%
<b>Publication Paper Australasia</b>					
Deliveries, kt	60	63	59	60	61
Total operating inc.	476	568	438	472	496
EBITDA	27	80	-74	6	3
EBITDA margin	6%	14%	-17%	1%	1%
<b>Packaging Paper</b>					
Deliveries, kt	26	29	38	41	42
Total operating inc.	128	135	177	207	249
EBITDA	-31	-38	-7	2	8
EBITDA margin	-24%	-28%	-4%	1%	3%
<b>Other</b>					
Total operating inc.	133	152	158	189	225
EBITDA	-5	-6	-9	-1	-19

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## Q3 2024

### Publication Paper Europe

- Increased deliveries with higher average sales price due to product mix and newsprint price increases
- Continued cost pressure from higher pulpwood and recovered paper prices. Energy prices stable due to large contract share

### Publication Paper Australasia

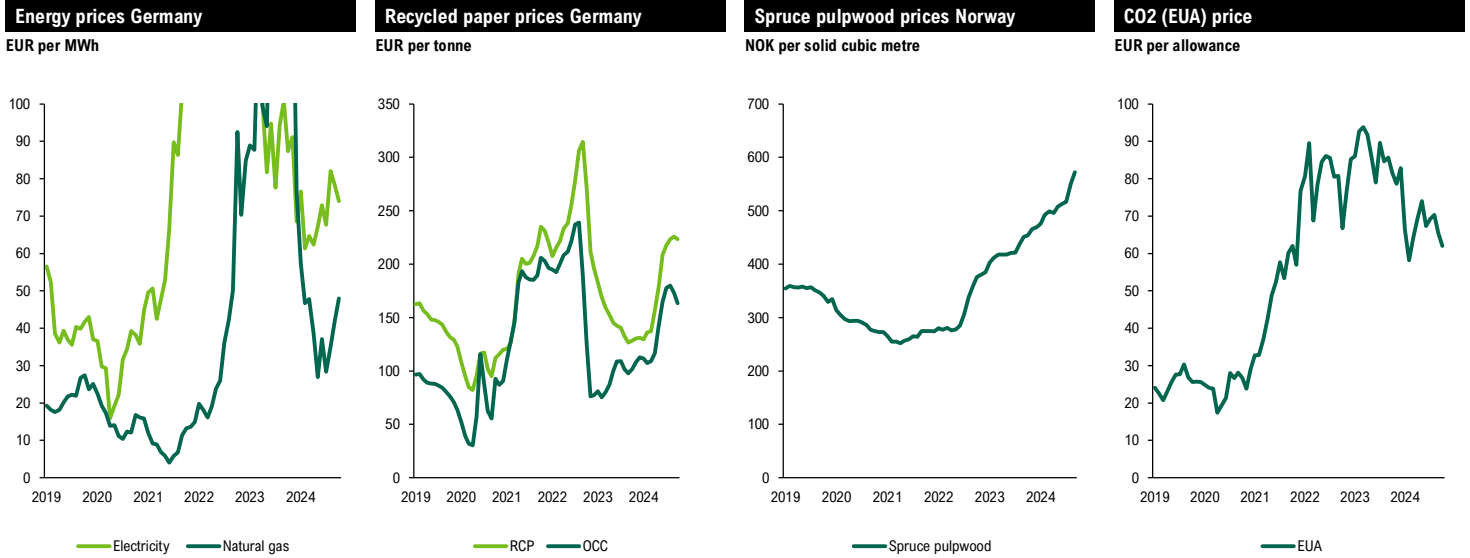
- Increased deliveries and sales price, but lower EBITDA due to higher energy costs

### Packaging Paper

- Increased deliveries in line with ramp-up plan, similar growth expected for coming quarters until 95% utilisation in H2 2025 for Bruck PM3
- Sales price increase in line with the market to mitigate increases in recovered paper prices

# Raw materials

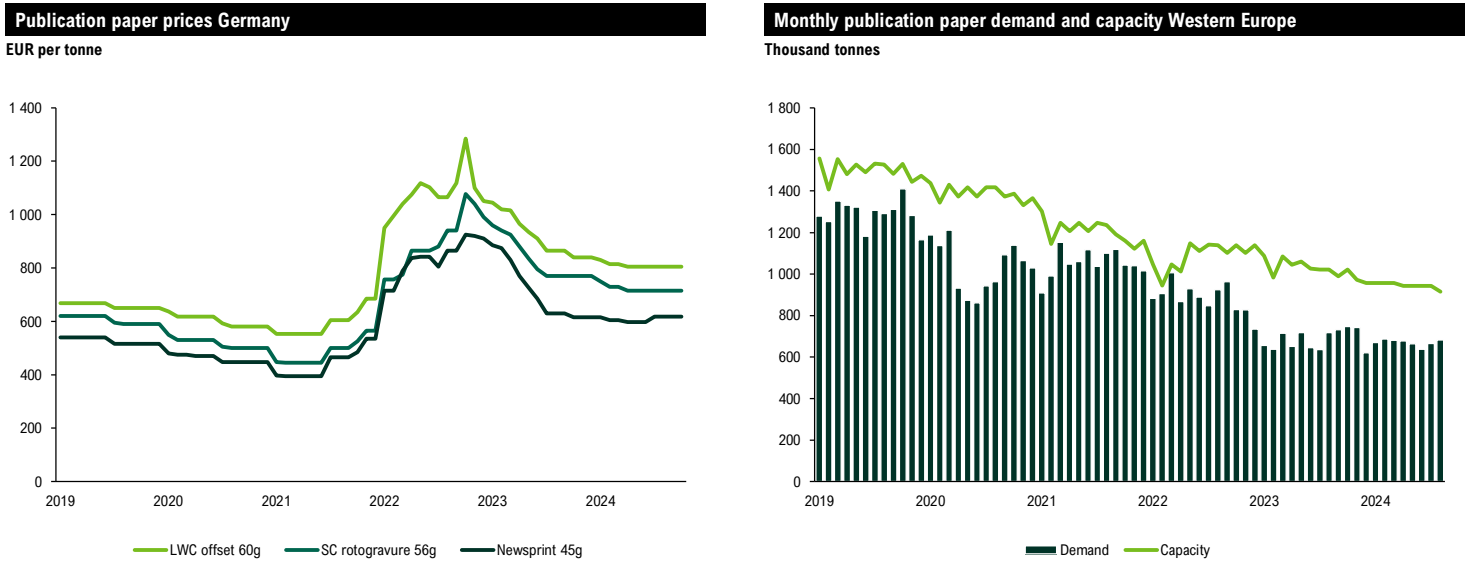
*Fibre prices remain at high levels*



7 Source: Nordpool, Trading Economics, RISI, Miljødirektoratet

# Publication paper market

*Publication paper prices at low levels with stable demand development*

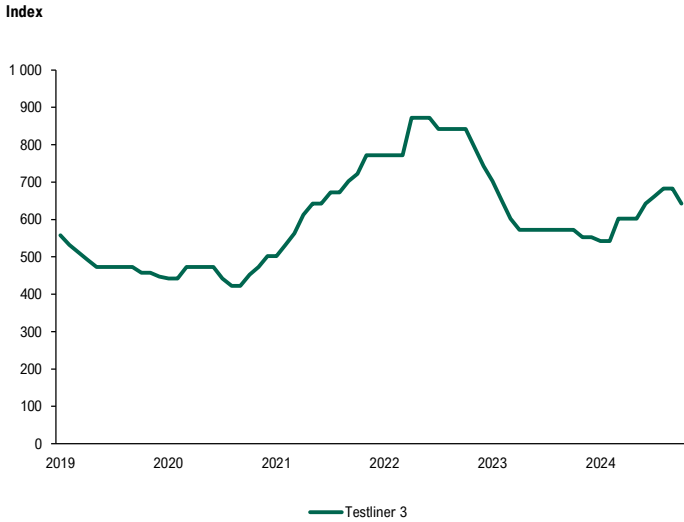


8 Source: RISI, PPPC

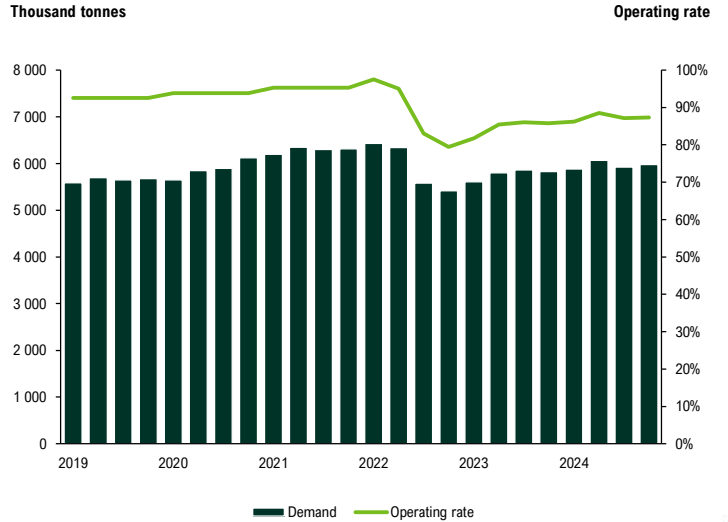
# Packaging paper market

Containerboard price following recovered paper prices

Recycled containerboard index Germany



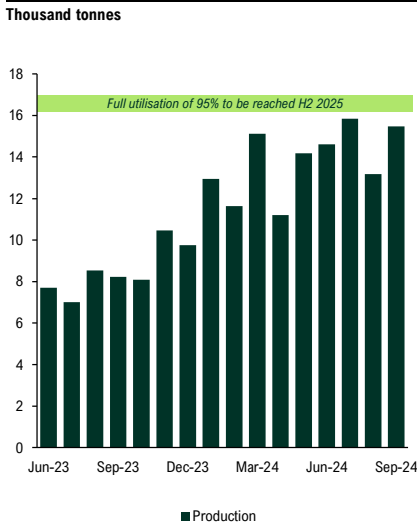
Quarterly recycled containerboard demand and operating rate Western Europe



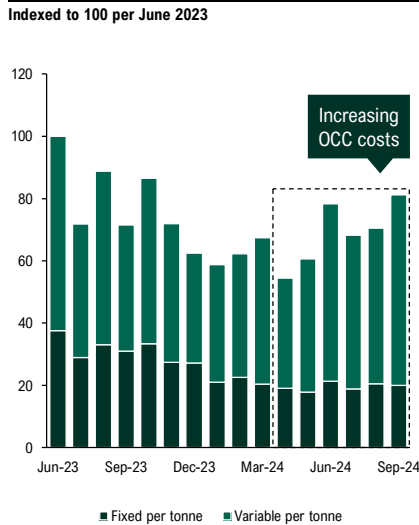
# Containerboard ramp-up

Continued increase in production volume

Monthly RCCM production Bruck PM3



Monthly RCCM production cost index Bruck PM3



## Golbey PM1 – 550kt containerboard capacity

- Cabling representing majority of remaining work
- Commissioning of roll warehouse, containerboard winder, and the effluent station is ongoing
- Pre-commissioning (I/O check) has started for the OCC drum pulper and the paper machine (PM1)
- Remaining net capex of EUR ~30m, net of EUR ~50m in investment grants and energy certificates
- Expect containerboard production start-up in Q1 2025

## Bruck PM3 – 210kt containerboard capacity

- Continued growth in production and deliveries, production reached 85% utilisation in the quarter
- Excellent product quality and customer feedback
- Continued pressure from OCC costs

# Saugbrugs BCTMP design phase

*Strong local support to secure Saugbrugs as cornerstone industry in Halden*



## BCTMP project updates

- Project organisation established
- Engaged technical and environmental consultants
- Working with multiple machinery and equipment suppliers
- Meetings with Norwegian Environment Agency
- Contact with sales agents and potential customers

## Project information

- 300kt BCTMP capacity for board, tissue, and paper
- Final investment decision H1 2025
- Expected net investment of NOK 1.5-2.0bn
- Production start 2027 and full utilisation 2028
- Expected return on net investment above 20%
- Investment project will unlock insurance of NOK 615m<sup>1</sup>
- The project requires updating existing environmental and building permits and approval from certain lenders

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<sup>1</sup>) Insurance payments of NOK 615m to be received and recognised in other operating income as investments accrue



# Outlook

## *Concluding remarks*

- Energy costs normalising, but pulpwood and recovered paper costs increasing
- Publication paper prices remain at unsustainable levels as fibre costs increase
- Recovered paper remains a significant cost for the production of containerboard
- Expect positive EBITDA from packaging paper segment in 2024 due to Golbey PM1 start-up in Q1 2025
- Significant focus on reducing production cost and working capital to maintain competitive position

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## Press release

# Higher market share in challenging publication paper market

Norske Skog's EBITDA in the third quarter of 2024 was NOK 91 million, a decrease from NOK 471 million in the second quarter of 2024. Norske Skog implemented price increases for both containerboard and newsprint during the quarter to mitigate continued cost increases. Norske Skog received excellent feedback from containerboard customers as deliveries continued to grow. Despite signs of positive market developments for Norske Skog in the publication and containerboard markets, these markets are still experiencing excess capacity, thus closures are still required.

*" - We are receiving excellent feedback from our customers on the quality of our containerboard products, which bodes well for our plan to deliver a total of 760,000 tonnes of packaging paper from Bruck and Golbey to the market in the coming years. We are particularly pleased to have strengthened our position in the newsprint market by increasing our market share through higher sales volumes in the third quarter of 2024 compared to the same quarter last year, especially in a declining market for publication paper,"* says Geir Drangslund, CEO of Norske Skog.

Cash flow from operations was NOK -272 million in the quarter compared to NOK 299 million in the previous quarter. The third quarter operating cash flow was negatively impacted by an increase in working capital of NOK 261 million due to recognition of CO<sub>2</sub>-related items and higher inventories. Operating earnings in the third quarter of 2024 were NOK -13 million compared to operating earnings in the second quarter of 2024 of NOK 364 million. Other operating earnings decreased because of insurance recognition at Norske Skog Saugbrugs of NOK 338 million in the previous quarter compared to NOK 25 million in the third quarter.

Loss before tax in the quarter was NOK -156 million compared to profit before tax of NOK 311 million in the previous quarter. Net interest-bearing debt increased in the period from NOK 2 970 to 3 717 million at the end of the quarter mainly due to investments at Norske Skog Golbey, increase in working capital, and weaker NOK influencing EUR-denominated debts. The equity ratio was 41%.

*" - We are satisfied with the latest long-term financing of the group with signing a NOK 1.4 billion bond in the second quarter and a NOK 500 million green-term loan at Norske Skog Skogn in the third quarter,"* says Geir Drangslund, CEO of Norske Skog.

### Operations

Total annual publication paper production capacity for the group is 1.6 million, with 1.3 million tonnes in Europe and 0.3 million tonnes in Australia. Norske Skog Bruck (PM3) started production of recycled containerboard paper in second quarter of 2023, and Norske Skog Golbey (PM1) plans to start in the first quarter of 2025. Norske Skog will after the ramp-up of Norske Skog Bruck and Norske Skog Golbey have an annual capacity of 760 000 tonnes of packaging paper production.

According to Euro Graph, demand for standard newsprint in Europe decreased by 1% as of August 2024 compared to the same period last year. For magazine paper the demand decreased by 6%, with supercalendered paper decreasing 10% and lightweight coated paper decreasing 2% as of August 2024 compared to the same period last year. According to PPC trade statistics for Australia, demand for newsprint and coated mechanical decreased by 26% and 2%, respectively, through August 2024 compared to the same period last year.

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### Publication paper

Operating income decreased from the previous quarter mainly due to the recognition of NOK 338 million in insurance at Norske Skog Saugbrugs in the second quarter, compared to NOK 25 mill in the third quarter. Slightly higher sales prices and sales volumes contributed positively during the period. Lower energy prices contributed negatively the revenue from sale of excess energy compared to the previous quarter. Despite the positive demand sentiment in certain areas of the publication paper market, there is still a market imbalance for publication paper.

Variable costs per tonne increased in the quarter, both in absolute terms and per tonne for cost of materials mainly caused by higher pulpwood and recovered paper prices. Distribution costs increased slightly in the quarter due to higher freight rates. Fixed costs both in absolute terms and per tonne decreased somewhat in the quarter due to lower costs. Group capacity utilisation was 91% in the quarter, 91% in Europe and 91% in Australasia.

### Packaging paper

The packaging paper machine at Norske Skog Bruck is operating according to the ramp-up plan. The containerboard production will reach full capacity utilisation in the second half of 2025. Norske Skog Golbey will start commercial production in the first quarter of 2025. Once at full utilisation, the machines are expected to generate an annual EBITDA of EUR 70-80 million, based on historical prices and margins seen in the market. EBITDA in the period was slightly positive due to higher delivered volumes and higher sales prices.

### Key figures, third quarter of 2024

NOK million (unless otherwise stated)	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
<b>Income statement</b>					
Total operating income	3 006	3 217	3 036	8 911	9 760
EBITDA	91	471	327	637	1 382
Operating earnings	-13	364	36	175	267
Profit before tax	-156	311	112	-227	4
EBITDA margin %	3.0	14.6	10.8	7.2	14.2
Capacity utilisation publication paper %	91	88	89	88	81
<b>Cash flow</b>					
Net cash flow from operating activities	-272	299	173	-43	956
Net cash flow from investing activities	-289	-104	-949	-771	-2 012
<b>Balance</b>	<b>30.09.24</b>	<b>30.06.24</b>	<b>30.09.23</b>	<b>30.09.24</b>	<b>30.09.23</b>
Total assets	14 824	15 201	13 898	14 824	13 898
Equity	6 132	6 138	5 880	6 132	5 880
Equity %	41	40	42	41	42

### Status projects

#### Norske Skog Golbey conversion projects

At Norske Skog Golbey, the conversion of the newsprint paper machine (PM1) into recycled containerboard paper production is progressing towards start-up in the first quarter of 2025. Norske Skog Golbey will eventually add 550 000 tonnes of new low-emission packaging paper capacity after ramp-up is completed, which will be fully based on recycled fibre. Along with the containerboard production at Bruck, Norske Skog will at full capacity utilisation, deliver 760 000 tonnes of packaging paper to the market. Golbey PM1 will utilise renewable energy generated from the newly commissioned biomass plant at the Golbey industrial site (Green Valley Energie). This energy plant will be the largest of its kind in France.

- *This investment marks an important step in Norske Skog's development, with the goal of increasing long-term value for all our stakeholders. Increased focus on environmentally friendly products and the continued rise in e-commerce have created a significant demand for renewable packaging solutions. The production of recycled*

*packaging at Golbey will meet this demand with cost-leading and environmentally friendly capacity. Golbey's industrial site, centrally located in continental Europe, is well positioned for the large packaging market, with established access to recycled fibre," says Drangslund.*

#### **Norske Skog Saugbrugs BCTMP-production**

Norske Skog Saugbrugs has started a main study aiming to enter the Bleached Chemi-ThermoMechanical Pulp (BCTMP) market by starting production at Norske Skog Saugbrugs in Halden. Currently, Norske Skog Saugbrugs has engaged technical and environmental consultants, who are working with potential machinery and equipment suppliers. To clarify permits and environmental issues, Norske Skog Saugbrugs has met with the Norwegian Environment Agency.

The new BCTMP line will produce approximately 300 000 tons of competitive pulp to meet the growing demand, especially for products in the packaging market. The BCTMP production will be based on fresh fibre, and the mill already has access to adequate energy capacity. Norske Skog Saugbrugs investment will exploit existing machinery, equipment, and infrastructure; thus, reducing the total investment significantly compared to a greenfield alternative. The final investment decision is expected to be made during the first half of 2025.

#### **Outlook**

The development in the global economy is of vital importance for consumer spending, and this impacts the publication paper and packaging paper industry, and thus Norske Skog's operations and results. Norske Skog's deliveries have continued to improve during the third quarter of 2024 and is expected to improve in the fourth quarter.

The raw material and energy markets, which are important for both publication paper and packaging paper production, are expected to remain uncertain, although prices have come down closer to historical levels. Cost of recovered paper has increased significantly, and the quality and availability has deteriorated. This trend is expected to persist for the remainder of 2024 and into 2025. Pulpwood prices is expected to remain at higher levels in fourth quarter.

The level of input costs and demand for paper will continue to influence paper sales prices in Europe. Both publication and packaging markets are characterised by excess capacity and capacity reductions are required to balance the markets. Industry utilisation is expected to remain weak until capacity is reduced. Norske Skog is able to maintain a higher utilisation rate than the industry average.

The production of recycled containerboard at Norske Skog Bruck PM3 is expected to increase in line with plan over the coming quarters. The EBITDA from the Packaging Paper segment in 2024 is expected to be positive, as the allocation of fixed costs relating to Norske Skog Golbey PM1 will be shifted to the first quarter of 2025 in line with the revised start-up timeline.

Norske Skog Saugbrugs continues to progress with the design phase of a new Bleached Chemi-ThermoMechanical Pulp (BCTMP) line, with expected final investment decision in the first half of 2025. Potential investments into a BCTMP line at Saugbrugs will result in recognition and receipt of additional insurance compensation of NOK 615 million.

In Australasia, markets remain challenging with a large share of volume being delivered in low margin export markets. There is continuous effort to improve the mill's cost position and commercial terms.

Norske Skog will continue to develop its industrial sites with new fibre projects based on efficient use of certified fibre and renewable energy, both on a stand-alone basis and in partnerships.

## **About Norske Skog**

Norske Skog is a leading producer of publication paper with strong market positions and customer relations in Europe and Australasia. The Norske Skog Group operates four mills in Europe, which produce publication paper, recycled packaging paper, energy and bioproducts. In addition, the Group operates one paper mill in Australia. The annual publication paper production capacity is 1.6 million tonnes. The annual production capacity of packaging paper will be 0.8 million tonnes following the start-up of containerboard production at Golbey in the first quarter of 2025. Norske Skog aims to further diversify its operations and continue its transformation into a growing and high-margin business through a range of promising energy and bio product development projects. The Group has approximately 2 100 employees, is headquartered in Norway and listed on the Oslo Stock Exchange under the ticker NSKOG.

## **Presentation and quarterly material**

The company will arrange a Teams-webinar today at 08:30 CEST, which can be attended by clicking the [webinar link](#) on the front page of the [www.norskeskog.com](http://www.norskeskog.com).

The quarterly board of directors report, the presentation, the financial statements and the press releases are available on [www.norskeskog.com](http://www.norskeskog.com), and published on [www.newsweb.no](http://www.newsweb.no) under the ticker NSKOG. If you want to receive future Norske Skog press releases, please subscribe through the website of the Oslo Stock Exchange [www.newsweb.no](http://www.newsweb.no).

Norske Skog

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## Pressemelding

# Høyere markedsandel i utfordrende markeder for publikasjonspapir

EBITDA for Norske Skog i tredje kvartal 2024 var NOK 91 millioner, en nedgang fra NOK 471 millioner i andre kvartal 2024. Norske Skog gjennomførte prisøkninger både for emballasje- og avispapir i løpet av kvartalet for å dempe de fortsatte kostnadsøkningene. Norske Skog har fått gode tilbakemeldinger fra emballasjepapirkunder samtidig som leveransene fortsatte å øke i tredje kvartal. Til tross for overkapasitet i publikasjonspapir- og emballasjemarkedene, har Norske Skog en positiv markedsutvikling i disse markedene. Det er fortsatt overkapasitet i disse markedene og behov for kapasitetsavvikling i industrien.

*"– Vi får svært gode tilbakemeldinger fra våre kunder på emballasjepapirkvaliteten, noe som lover godt for våre planer om å levere totalt 760 000 tonn emballasjepapir fra Bruck og Golbey til markedet i de kommende årene. Vi er spesielt tilfredse med å ha styrket vår markedsposisjon innen avispapir ved å øke markedsandelen gjennom høyere salgsvolumer i tredje kvartal 2024 sammenlignet med samme kvartal i fjor, og det skjer i et fallende marked for publikasjonspapir,"* sier Geir Drangslund, konsernsjef i Norske Skog.

Kontantstrøm fra drift var NOK -272 millioner i kvartalet, sammenlignet med NOK 299 millioner i forrige kvartal. Kontantstrøm fra drift i tredje kvartal ble negativt påvirket av en økning i arbeidskapitalen på NOK 261 millioner på grunn av innregning av CO2-relaterte inntekter og høyere lagerbeholdning. Driftsresultatet i tredje kvartal 2024 var NOK -13 millioner, sammenlignet med et driftsresultat i andre kvartal 2024 på NOK 364 millioner. Andre driftsinntekter ble redusert som følge av bokførte inntekter fra forsikringsoppgjør på NOK 338 millioner ved Norske Skog Saugbrugs i forrige kvartal, sammenlignet med NOK 25 millioner i tredje kvartal.

Resultat før skatt i kvartalet var NOK -156 millioner, sammenlignet med et overskudd før skatt på NOK 311 millioner i forrige kvartal. Netto rentebærende gjeld økte i perioden fra NOK 2 970 til 3 717 millioner, hovedsakelig som følge av investeringer ved Norske Skog Golbey, økt arbeidskapital og svakere norsk krone som påvirker Euro denominert gjeld. Egenkapitalandelen var 41 %.

*"– Vi er fornøyde med den siste langsiktige finansieringen av konsernet med signeringen av et obligasjonslån på NOK 1,4 milliarder i andre kvartal og et grønt terminlån på NOK 500 millioner ved Norske Skog Skogn i tredje kvartal,"* sier Geir Drangslund, konsernsjef i Norske Skog.

### Drift

Samlet årlig produksjonskapasitet for publikasjonspapir for konsernet er 1,6 millioner tonn, med 1,3 millioner tonn i Europa og 0,3 millioner tonn i Australia. Norske Skog Bruck (PM3) startet produksjon av resirkulert emballasjepapir i slutten av andre kvartal av 2023, mens Norske Skog Golbey (PM1) vil starte i løpet av første kvartal 2025. Etter igangskjøringsperioden av Norske Skog Bruck og Norske Skog Golbey, vil Norske Skog ha en årlig kapasitet på 760 000 tonn emballasjepapir.

Ifølge Euro Graph falt etterspørselen etter standard avispapir i Europa med 1% til og med august sammenlignet med samme periode ifjor. For magasinpapir falt etterspørselen med 6 %, med en nedgang på 10 % for superkalandrert papir (SC) og 2 % for lett bestrøket papir (LWC) til og med august sammenlignet med samme periode ifjor. I følge PPPCs australske handelsstatistikk falt etterspørselen etter avispapir og LWC med henholdsvis 26 og 2% til og med august 2024 sammenlignet med samme periode i fjor.

### Publikasjonspapir

Driftsinntektene falt fra forrige kvartal, hovedsakelig på grunn av inntektsføring av NOK 338 millioner i forsikringer ved Norske Skog Saugbrugs i andre kvartal, sammenliknet med NOK 25 millioner i tredje kvartal. Noe høyere

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salgspriser og salgsvolumer bidro positivt i perioden. Lavere energipriser påvirket inntektene fra salg av overskuddskraft negativt sammenlignet med forrige kvartal. Til tross for positiv etterspørsel i enkelte deler av publikasjonspapirmarkedet, er det fortsatt en markedsubalanse for publikasjonspapir.

Variable kostnader per tonn økte i kvartalet, både i absolutte termer og per tonn for materialkostnader, hovedsakelig på grunn av høyere returpapir- og tømmerpriser. Distribusjonskostnadene økte noe i kvartalet på grunn av høyere fraktrater. Faste kostnader, både i absolutte termer og per tonn, falt noe i kvartalet grunnet lavere kostnader. Konsernets kapasitetsutnyttelse var 91% i kvartalet, 91% i Europa og 91% i Australasia.

#### Emballasjepapir

Emballasjepapirmaskinen i Norske Skog Bruck produserer i tråd med opptrappingsplanen. Produksjonen av emballasjepapir vil nå full kapasitetsutnyttelse i løpet av andre halvår 2025. Norske Skog Golbey vil starte kommersiell produksjon i første kvartal 2025. Ved full kapasitetsutnyttelse, forventes emballasjeproduksjonen ved Bruck og Golbey samlet å bidra med en årlig EBITDA på EUR 70-80 millioner, basert på historiske priser og marginer i markedet. EBITDA i perioden var positiv på grunn av høyere salgsvolumer og salgspriser.

#### Nøkkeltall, tredje kvartal 2024

NOK millioner (om ikke annet er oppgitt)	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
<b>Resultatregnskap</b>					
Totale inntekter	3 006	3 217	3 036	8 911	9 760
EBITDA	91	471	327	637	1 382
Driftsresultat	-13	364	36	175	267
Resultat før skatt	-156	311	112	-227	4
EBITDA margin %	3.0	14.6	10.8	7.2	14.2
Kapasitetsutnyttelse publikasjonspapir %	91	88	89	88	81
<b>Kontantstrøm</b>					
Netto kontantstrøm fra operasjonelle aktiviteter	-272	299	173	-43	956
Netto kontantstrøm fra investeringsaktiviteter	-289	-104	-949	-771	-2 012
<b>Balanse</b>	<b>30.09.24</b>	<b>30.06.24</b>	<b>30.09.23</b>	<b>30.09.24</b>	<b>30.09.23</b>
Totale eiendeler	14 824	15 201	13 898	14 824	13 898
Egenkapital	6 132	6 138	5 880	6 132	5 880
Egenkapital %	41	40	42	41	42

#### Status prosjekter

##### Norske Skog Golbey konverteringsprosjekter

Ved Norske Skog Golbey gjennomføres ombyggingen av avispapirmaskinen (PM1) til produksjon av resirkulert emballasjepapir mot oppstart i første kvartal av 2025. Norske Skog Golbey vil med tiden tilføre 550 000 tonn lavutslipps emballasjepapirkapasitet etter opptrappingsfasen. Sammen med emballasjeproduksjonen ved Bruck vil Norske Skog, ved full kapasitetsutnyttelse, levere 760 000 tonn emballasjepapir til markedet. Produksjonen av emballasjepapir vil være fullt ut basert på resirkulert fiber. Golbey PM1 vil bruke fornybar energi generert fra det nylig startede biomasseanlegget, som ligger på industriområdet til Golbey (Green Valley Energie).

- "Denne investeringen markerer en viktig milepæl i Norske Skogs utvikling, og vi har som mål å øke den langsiktige verdien for alle våre interessenter. Økt fokus på miljøvennlige produkter og vekst innen e-handel har skapt en betydelig etterspørsel etter fornybare emballaseløsninger. Produksjonen av resirkulert emballasje ved Golbey vil tilfresstille denne etterspørselen med kostnadsledende og miljøvennlig kapasitet. Golbey har et industriareal som er sentralt plassert på det europeiske kontinentet, og vil være godt posisjonert for det store emballasjemarkedet med etablert tilgang på resirkulert fiber," sier Drangslund.

### *Norske Skog Saugbrugs BCTMP-produksjon*

Norske Skog har iverksatt en hovedstudie med mål om å gå inn i markedet for bleket kjemi-termomekanisk masse (BCTMP) for å starte produksjon ved Norske Skog Saugbrugs i Halden. For tiden har Norske Skog Saugbrugs engasjert tekniske og miljøfaglige konsulenter for å samarbeide med potensielle leverandører av maskiner og utstyr. For å avklare viktige konsesjons- og miljøspørsmål har Norske Skog Saugbrugs gjennomført møter med Miljødirektoratet.

Den nye BCTMP-linjen vil produsere omtrent 300 000 tonn konkurransedyktig masse for å møte den økende etterspørselen, spesielt for produkter i emballasjemarkedet. BCTMP-produksjonen vil bli basert på fersk fiber. Saugbrugs har allerede tilgang til tilstrekkelige energileveranser. Investeringen ved Norske Skog Saugbrugs vil utnytte eksisterende maskiner, utstyr og infrastruktur, og dermed redusere den totale investeringen betydelig sammenlignet med et nytt og komplett anlegg. Den endelige investeringsbeslutningen forventes å bli tatt i løpet av første halvår 2025.

### **Utsikter**

Utviklingen i den globale økonomien er av vital betydning for det generelle forbruket i samfunnet, og vil påvirke treforedlingsindustrien, og dermed Norske Skogs virksomheter og resultater. Etterspørselen etter Norske Skogs produkter har forbedret gjennom tredje kvartal av 2024, og forventes å forbedre seg ytterligere i fjerde kvartal.

Råvare- og energimarkedene, som er viktige for både publikasjons- og emballasjepapir, forventes å forbli usikre selv om prisene har kommet nærmere historiske nivåer. Kostnadene for resirkulert papir har økt betydelig, men både kvaliteten og tilgjengeligheten har blitt forverret. Denne trenden forventes å vedvare ut året og inn i 2025. Massevirkeprisene forventes å holde seg på høyere nivåer i fjerde kvartal.

Utvikling av innsatskostnader og etterspørsel etter papir vil fortsatt påvirke papirsalgprisene i Europa. Både publikasjons- og emballasjepapirmarkedet er preget av overskuddskapasitet, og kapasitetsstenginger i industrien er nødvendig for å bedre markedsbalansen. Industriens kapasitetsutnyttelse forventes å forbli svak inntil ytterligere stenginger gjennomføres.

Produksjonen av resirkulert emballasjepapir i Norske Skog Bruck (PM3) forventes å øke i tråd med planene i de neste kvartalene. EBITDA fra emballasjepapirsegmentet i 2024 forventes å være positiv. Allokeringen av faste kostnader knyttet til Norske Skog Golbey PM1 vil bli henført til første kvartal 2025 i tråd med det reviderte oppstartstidspunktet.

Norske Skog Saugbrugs fortsetter arbeidet med designfasen til en ny bleket kjemi-termomekanisk masse (BCTMP)-linje, med en forventet investeringsbeslutning i første halvår 2025. Potensielle investeringer i et BCTMP-prosjekt ved Saugbrugs vil utløse tilførsel av ytterligere NOK 615 millioner i forsikringskompensasjon.

I Australasia forblir markedene utfordrende med en stor andel av volumet levert til eksportmarkeder med lave marginer. Det gjøres kontinuerlig innsats for å forbedre fabrikkens kostnadsposisjon og kommersielle vilkår.

Norske Skog vil fortsette å utvikle sine industristeder med nye fiberprosjekter basert på effektiv bruk av sertifisert fiber og fornybar energi, både på selvstendig basis og i partnerskap med andre.

## Om Norske Skog

Norske Skog er en ledende produsent av publikasjonspapir med sterke markedsposisjoner og kundeforhold i Europa og Australasia. Norske Skog-konsernet driver fire fabrikker i Europa som produserer trykkpapir, resirkulert emballasjepapir, energi og biprodukter. I tillegg driver konsernet en papirfabrikk i Australia. Den årlige produksjonskapasiteten for publikasjonspapir er 1,6 millioner tonn. Den årlige produksjonen emballasjepapir vil være 0,8 millioner tonn ved full kapasitetsutnyttelse etter igangkjøringsperiodene ved Bruck og Golbey er fullført. Norske Skog tar sikte på å diversifisere virksomheten ytterligere og fortsette omstillingen til en voksende og høy-margins virksomhet gjennom en rekke lovende energi- og biproduktprosjekter. Konsernet har cirka 2 100 ansatte, hovedkontor i Norge og er notert på Oslo Børs under tickeren NSKOG.

## Presentasjon og kvartalsmaterieill

Selskapet vil arrangere et Teams-webinar i dag kl. 08:30 CEST, som kan følges ved å klikke på webinarlinken på forsiden av [www.norskeskog.com](http://www.norskeskog.com). Kvartalsrapporten fra styret, presentasjonen, regnskapene og pressemeldingene er tilgjengelige på [www.norskeskog.com](http://www.norskeskog.com), og publisert på [www.newsweb.no](http://www.newsweb.no) under tickeren NSKOG. Hvis du ønsker å motta fremtidige pressemeldinger fra Norske Skog, vennligst abonner via nettsiden til Oslo Børs [www.newsweb.no](http://www.newsweb.no).

Norske Skog  
kommunikasjon og samfunnskontakt

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